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LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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The Nation's Business

Wheat Market Hit By Official Bear Propaganda

From Washington And London

Stevens Committee Must Particularize

Has Too Much To Do

Competition With Private Business

Bear Propaganda No Aid to Wheat

LOOSE talk and injurious propaganda continue to be bandied about concerning the International Wheat Agreement signed by Canada at London in 1933.

In the House of Commons last week, Prime Minister Bennett intimated that he had not yet decided whether this agreement would be submitted to parliament for its approval, since it was not clear that this was necessary in a document involving the jurisdiction of the provinces and to a more limited extent that of the Dominion. Mr. Bennett did indicate, however, that the House would have an opportunity for a discussion in connection with the estimates.

In the meantime, the public is being bombarded by all manner of statements, some of which are misleading and others definitely harmful to the primary goal of every Canadian wheat grower—namely, an improved market for his product.

* * *

TAKE for instance a New York Times dispatch from Washington published at the end of last week. It reports an official statement of the United States Department of Agriculture in respect of the wheat agreement in which signatory countries are none too gently reminded of their supposed obligations. This dispatch contains such misleading statements as the following:

> "Under the international agreement the United States and Canada are bound to reduce their wheat production by 15 per cent of the average output for the years 1931 to 1933 inclusive. Other countries must reduce their exports by a like amount and see to it that their surplus stocks have not been added to by the time the agreement expires."

This statement is definitely misleading. The agreement contains no proviso that either Canada or the United States "must reduce wheat production by 15 per cent" but merely that the four chief exporters (Canada, United States, Argentine, Australia) agree to limit exports during the years 1933-4 and 1934-5. Is it true that Canada and the United States are party to a special and unpublished agreement to which other countries are not bound? The answer is probably in the negative but until an official record of what transpired at London is available, misleading statements such as this will probably continue.

* * *

AN EQUALLY misleading statement is credited to Dr. Mordecai Ezekiel, who is in charge of this matter for the U. S. Department of Agriculture. According to this dispatch Dr. Ezekiel explained that "Canada was considering the establishment of a government wheat board with a monopoly on exports. The board would allot export quotas to political subdivisions and growers and seek to curtail production in that way." Just what authority has Dr. Ezekiel to speak for Canada in this matter? So far as interested Canadians have been able to get any information out of Ottawa, no export monopoly in wheat is contemplated by the government.

* * *

ANOTHER equally disturbing factor is the continual publication of press statements emanating from the advisory committee at London and which, in line with the public statement of the U. S. Department of Agriculture, continue to focus attention on all the bearish factors in the wheat situation. Early in December, The Financial Post drew attention to the fact that the publicity of this committee was having a depressing influence on the wheat market and subsequent events have tended to confirm this statement.

It is perfectly apparent that the international wheat advisory committee are determined to make their jobs last a lifetime, if they can. The secretary of this committee, Andrew Cairns, a Canadian, should be rapped over the knuckles or brought home.

What Canada's wheat business needs more than anything else at the moment is aggressive, constructive merchandising of its wares in the world's markets and a holiday from the fear propaganda

(Continued on page 2, col. 3)

59c DOLLAR MAY DISTURB GENERATIONS

U. S. Devaluation Important to Canada — May Lead Back to Gold

BRITAIN CAUTIOUS

Claim Dollar Too Cheap — Grave Danger of Inflation or Erroneous Parities Seen

Announcement of devaluation of the United States dollar, at least temporarily, is considered by authorities as one of the most important financial developments of the twentieth century. It may have repercussions on world economic affairs for a generation or even more, it is thought. The world, it is claimed, is the guinea pig in a gigantic monetary experiment that may determine the future for unborn millions. But the latest American monetary move may only be a phase in the devaluation process. It may have important effects on Canada, and it may be the biggest step back to gold.

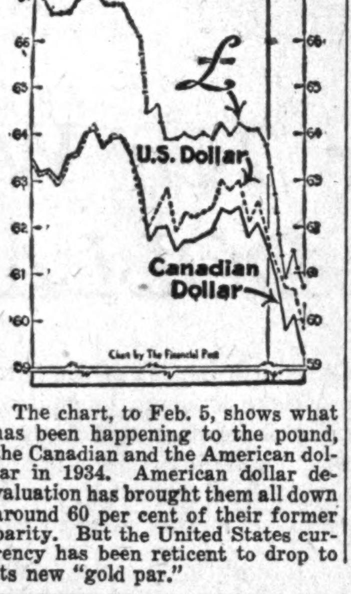
It is noteworthy that this is the first time in modern economic history that a nearly simultaneous major devaluation of most of the leading currencies of the occidental world has seemed probable. There is little in the way of pertinent history by which to judge some of its effects.

What Mr. Roosevelt has done is to place the gold content of the dollar at 15 5/21 grains, nine-tenths fine, compared with the former content of 25 4/5 grains of the same fineness. This means that the new dollar's gold content is 59.06 per cent of what it was formerly, and that gold is worth $35 an ounce. In pounds sterling, it means that the British monetary unit will have to contain only 66.744 grains of gold to be worth $4.8665, the old parity, in the United States, and that gold should be worth approximately 143s. 10½d in London, on the same basis.

Dangers of Revaluation

Revaluation of monetary units can be dangerous, economists state. It is instanced that Britain's restoration of the pound to $4.8665 following the war depressed prices, increased real debts, and stifled British trade. On the other hand, it is contended France developed the franc too much, caused an inflow of gold, boomed French prices and business, but interfered with the gold standard and world trade. In

(Continued on page 2, col. 1)



The chart, to Feb. 5, shows what has been happening to the pound, the Canadian and the American dollar in 1934. American dollar devaluation has brought them all down around 60 per cent of their former parity. But the United States currency has been reticent to drop to its new "gold par."

Frontenac Brewery May Retire Bonds

From Our Own Correspondent

Montreal. — Negotiations are proceeding and it is understood that a meeting will be held of the first mortgage bondholders of the Frontenac Brewery Co., controlled by National Brewery, to consider an offer to retire bonds at par.

It will be recalled that Frontenac defaulted on its bond interest on Dec. 1 last. For several years the company has not been able to earn its bond interest while the working capital position has been weakened by the existence of large bank loans. Under the terms of the trust deed the bonds are callable at 110, but if the expected proposal is approved the bondholders will be paid off at par.

STEEL WARES PROFITS GAIN SHARPLY IN '33

Operating Profit of $446,049 First Reported Since 1930

From Our Own Correspondent

MONTREAL. — Operating revenues of General Steel Wares in 1933 represented an improvement of $613,592 over the 1932 results.

In the financial statement covering the past year's operations, being mailed to shareholders this week, it is shown that net operating income totalled $446,049. This compares with an operating loss of $167,543 in 1932.

The marked improvement in the company's earning power is further emphasized by the fact that last year was the first time the company has been able to show an operating profit since 1930.

During the first four months of last year prospects did not appear promising. In this period sales continued to decline and the operating loss, before making provision for bond interest, amounted to $103,000.

Turn Came in May

The first favorable change in sales and income took place last May. From then on till the end of the year the volume of business handled by General Steel Wares steadily mounted upward, the aggregate total showing a substantial increase over that reported for the corresponding period of 1932.

Nearly Cover Interest

Net operating income in 1933 was slightly less than $60,000 short of meeting full interest requirements, including premium paid on purchase of U. S. funds to meet payments in New York. After providing for this charge the company had a deficit of only $59,280.

In 1932 General Steel Wares had an operating loss of $167,543, to which was added bond interest, making a deficit of $738,730.

Buy Bonds at Discount

For some time past Steel Wares bonds have been selling at a heavy discount. The management have taken advantage of this situation to purchase bonds for the sinking fund on a scale greater than called for under the terms of the trust deed.

At the end of 1932 the company had redeemed $1,172,000 out of an original issue of $9,000,000, leaving $7,828,000 in the hands of the public. On the bonds redeemed there was a capital profit, for 1932 only, of $513,893.

Last year the company redeemed a further block of $366,000 of bonds, bringing the amount out-

(Continued on page 2, column 5)

Canadian Pacific Loan Spread Among 8 Banks

From Our Own Correspondent

MONTREAL.—Closure of the New York and London money markets to foreign financing and necessity of maintaining and protecting the credit and financial position of Canada, were the principal reasons leading up to the Dominion Government guarantee of principal and interest on loans of $60,000,000 made by the chartered banks to the Canadian Pacific Railway, according to a statement made in the House by the Prime Minister when questioned on this transaction.

In defending the Federal Government's action Premier Bennett stated that the matter was officially brought before the Privy Council on November 28 and that on the following day an order-in-council was passed guaranteeing the loan. This was done in order that the company would be in a position to meet maturing obligations on December 1.

The matter was on the tapis some time before that however, for it is known that as early as last May negotiations were being conducted by the company to arrange for the necessary financing to take care of its obligations up to December of this year. Attempts were made to secure the funds in New York, but this was found impracticable under the terms of the Security Act and the uncertainty of the financial outlook. In August, E. W. Beatty, president of the company, went to England but was unsuccessful in arranging a loan. In explaining the delay between the time Mr. Beatty was in England and the granting of the order-in-council, the Prime Minister said that as one of the principal obligations did not fall due until December 1 last, action by the Government was delayed in the hope that other arrangements could be made by the company.

C. P. R. Needed $59,778,000

The Canadian Pacific Railway's financial needs between June 1 last and next December aggregate $59,788,000. Of this amount $27,000,000 is payable in Canadian funds and $32,788,000 in American funds. Of the latter $2,544,000 is payable in either London or New York.

The Canadian banks undertook to underwrite the $60,000,000 loan guaranteed as principal and interest by the Federal Government. It is for a period of 5 years, bearing interest at 5 per cent payable semi-annually, and further secured by deposit of $100,000,000 of the company's 4 per cent consolidated debenture stock.

Distribution of Loan

Eight banks participated in this financing, the individual participation being as follows:

	$
Bank of Montreal	22,444,000
Royal Bank	12,280,000
Can. Bank of Commerce	10,524,000
Bank of Nova Scotia	5,180,000
Dominion Bank	2,808,000
Bank of Toronto	2,632,000
Imperial Bank	2,632,000
Banque Can. Nationale	1,500,000
	60,000,000

WOULD REDUCE BURNS CAPITAL FIXED CHARGES

Bondholders Get Two Classes of Bonds and Stock

OUTLOOK BETTER

Preferred Shareholders Get 95 p.c. Control of Company in Class B Stock

Reorganization of the capital structure of Burns & Co. to effect a reduction in fixed charges is recommended by the bondholders' committee in a letter being forwarded to holders of the $6,799,900 of 5½ per cent first mortgage bonds who will meet on March 6. The plan involves the granting of certain concessions by bondholders who, in return, will receive some income from their investment in 1934 and larger income in succeeding years as well as stock in the company. The present preferred shareholders who hold shares with a book value of $6,904,300 will receive common stock which will represent 95 per cent ownership of the company while present common shareholders have their equity practically wiped out.

The bondholders' committee has been in close touch with operations of the company since early in 1931 when bondholders agreed to a postponement of interest and sinking fund payments until December 1, 1933. While no earnings statement is available for 1933 it is understood that earnings were sharply higher than in 1932 and were sufficient to cover depreciation charges in full and still leave some surplus available for bond interest.

Under the proposed plan of reorganization each holder of a $1,000 bond would receive a $500 bond, due July 1, 1958, on which interest at the rate of 2 per cent would be paid in 1934, at 3½ per cent in 1935 and at 5 per cent in 1936 and until maturity. The present bondholder would also receive a $500 bond on which non-cumulative interest of 5 per cent would be paid out of net income of the company from 1934 to 1938 while thereafter the interest would become a fixed charge. The bondholder would also receive 5 shares of class A stock for each $1,000 bond now held and such shares would be entitled to a non-cumulative preferred dividend of $1 per year and would thereafter participate on a share for share basis in any further distribution of dividends that might be made on class B shares. Class A shares are preferred up to $20 per share.

Concessions Asked

Bondholders are asked to: cancel sinking fund and interest obligations accrued to January 1, 1934; to postpone maturity of the bonds for 10 years, to July 1, 1958; to accept payment of principal and interest in Canadian funds. Until April 1, 1939, and thereafter until the company has met in full for two consecutive years all bond interest and sinking fund payment, control of the company will rest with five management shares of which three will be held by nominees of the bondholders.

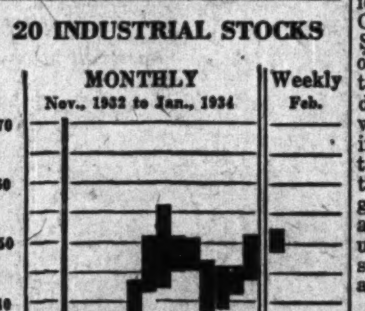
Present preferred shareholders will receive 1½ shares of new class B stock for each share of present preferred stock held. Present common shareholders will receive one class B share for each 20 shares of common stock held. On the basis of such division present preferred shareholders would receive 103,554 shares of class B stock out of a total of 109,554 shares while present common shareholders would receive 6,000 shares. Present bondholders would receive the entire issue of $33,789½ shares of class A stock which would have voting power. There would also be five management shares. The new capital structure would be as follows:

Proposed Capital Structure of Burns & Co.

First mortgage bonds, due 1958:	
5% int. cumulative	$3,399,950
5% income bonds	3,399,950
Class A pref., no par value	33,789½ shs.
Management preferred, no par.	5 shs.
Class B shares, no par value	109,554 shs.

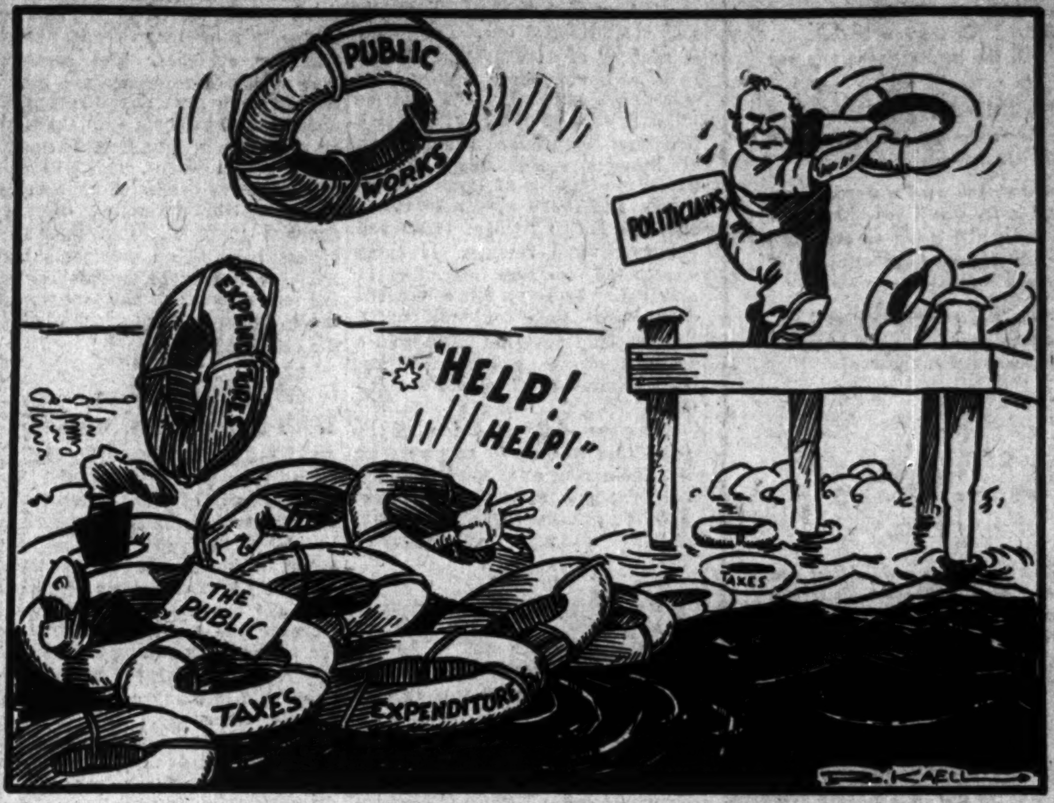
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Feb. 6	52.4	49.0
Week of Jan. 30	50.7	48.0
Month of Feb., 1933	27.0	22.7
10 Public Utilities		
Week of Feb. 6	53	51
Week of Jan. 30	51	49
Month of Feb., 1933	44	40
8 Bank Stocks		
Week of Feb. 6	187	181
Week of Jan. 30	182	176
Month of Feb., 1933	164	156



—Drawn for The Financial Post by R. Kaell.

TOO MUCH GOVERNMENT "AID"

Action Is Keynote As Trading Probe Arrangements Made

Formation of National Retail Trade Council to Provide Broad Information on Bad Trade Practices is First Move—May be Permanent Body

R. P. SPARKS MAY HEAD INVESTIGATORS

Feverish activity is evident among opposing forces—already involved by direct charges made by Hon. H. H. Stevens—in preparation of their cases to be placed before the Parliamentary Committee recently appointed to investigate certain phases of the merchandising situation in Canada. The Special Select Committee of eleven members of the House has not yet been appointed but arrangements have already been made for the compilation of evidence, concentrating for a start on the garment and furniture industries, The Financial Post learns. Meanwhile, other manufacturers and trade groups, at present neutrals, are getting ready to defend or attack as the case may be, if and when they become involved in the investigation.

Formation of the National Fair Trade Council to function as a medium of providing broad information on sweat shop practices, contraventions of the Minimum Wage Acts, exorbitant mark-ups being allowed on merchandise to the detriment of producer and consumer, etc., is probably the most important initial move made in co-operation with organized labor and the manufacturers. Legal counsel has been retained by this group, and by the Government for the Committee. Special investigators have also been appointed for specific duties.

Will Appoint Chief Investigator

R. Percy Sparks has been named for the position of investigator-in-chief. Mr. Sparks worked closely with Hon. H. H. Stevens in 1926 in connection with the investigation of the Customs Department. More recently he has been prominent as counsel for independent manufacturers in the case against Celanese, Ltd., at present under consideration by the Tariff Board.

Trains to Ottawa are crowded as representatives of manufacturers' and retailers' associations and individual manufacturers and retailers rush to the capital to get a picture of what is going on. One retail group, never before collectively organized, has formed an association, appointed a secretary, and is preparing to gather information to present its case to the committee.

Extensive Probe Certain

Undoubtedly there appears to be a general realization that Prime Minister Bennett meant what he said when he told Parliament and members of the committee that "the roof was the limit" as far as the investigation was concerned. In fact, everything points to the conclusion that the investigation will be one of the most exhaustive ever to be conducted in Canada.

Hon. H. H. Stevens' address at the dinner of the National Shoe Retailers' Association in Toronto about three weeks ago is generally accepted as the initial step which led to the formation of the committee to investigate alleged malpractices. The Financial Post learns, however, that Mr. Stevens was in possession of a considerable amount of direct evidence—the result of exhaustive enquiries by interested parties—before he rose to his feet and threw down the gauntlet to manufacturers and merchandisers.

Find Shocking Conditions

Most important of these enquiries was one conducted by Professor Cassidy, of Toronto, and Professor Scott, of Montreal, under the aegis of the Canadian Garment Manufacturers' Association. These two academicians conducted a survey of wage rates and working conditions in Quebec and Ontario garment factories and, although the results of their probe have been jealously guarded, The Financial Post is reliably informed that some of the figures reveal working conditions so shocking as to appear impossible in a civilized country.

Blame Department Stores

Chain and department stores have been specifically blamed for the conditions in this industry and also linked with the labor troubles in the Kitchener and Waterloo furniture factories.

First move in the conduct of the enquiry will take place on February 13 when representatives of a number of retail trade associations will appear before the committee to state their cases. On account of the probe of the Garment Manufacturers' Association, their case is fairly well organized while C. B. Fessenden, who has been conducting an investigation into wage rates and production costs in the furniture industry for the Canadian Furniture Manufacturers' Association has been appointed to obtain information on the committee's account.

Chain Stores Organize

On the other side of the fence, the chain store organizations have made the first move to consolidate in order to prepare their case. An association has been formed in which all the major chains with the exception of A. & P. have joined, The Financial Post understands. This is a new departure for chain stores although a committee was formed some two years ago to fight a ruling of the City of Toronto regarding assessments on warehouses.

It would appear from an investigation conducted by The Financial Post that, outside of the furniture, packing and garment industries, no combined move has been made by manufacturers. The Canadian Manufacturers' Association has not been called upon to take any part in either the enquiry by the committee or in the preparation of briefs by its members.

Packers Make No Move

Packers claim that they are waiting for the investigators to come to them before they make a move. That they have all the information likely to be required of them is evident from the January letter of the Industrial and Development Council of Canadian Meat Packers which contains an article surveying the cattle price situation. This article is summarized on page 7 of this issue.

The woollen and knit goods and

(Continued on page 2, col. 6)

Week's Figures Indicate Gains In Auto Traffic

Heavier automobile traffic is indicated by two reports issued during the past week. First, gasoline sales in November of last year were 14.7 per cent greater than in the corresponding month of 1932; second, imports of crude petroleum in December were 98 per cent ahead of the total for December, 1932.

Bank debits, though showing a 12 per cent decline from November, only part of which was seasonal, continued well ahead of December of the previous year.

Monthly		Dec., 1933	Change From Prev. Period %	From Prev. Year %
Flour prod. bbls.		967,284	—44.6	+ 4.2
Petrol. imp. gals.		64,969,634	—29.2	+98.0
Bank debits		$ 2,492,000,000	—12.1	+19.5
Retail sales Index		115.9	+35.7	— 2.6
		Nov., 33		
Gasoline sales gal.		43,856,000	—13.9	+14.7
Weekly				
Carloadings	No.	40,171	— 1.5	+27.4
Hog sales	No.	26,806	+30.1	+20.3
Cattle sales	No.	10,630	+ 1.7	+11.3

Highlights of the week

Bulls and Bears

Historic, financial significance of Toronto-Standard exchange merger. Stock trading before Confederation. Founding of mining market. Page 13. A day in the pit. Page 14. Five pages of news on the merger. Pages 13 to 17.

New Money

Present Dominion notes will disappear when the central bank is organized. What the new money may look like. Page 20.

Selling British

Why the discriminating English market should be developed intensively. Page 8. How the Dominion may grade exports. Page 7.

S. American Bonds

An appraisal of investors' chances of recovering loans to Latin-America. Analysis of each country's position. Page 12.

Wheat Glut

John I. McFarland's belief that wheat is overproduced. An exclusive comment from the administrator of Canada's huge wheat stocks. Mr. Bennett's and Mr. King's views. Page 22.

Gold Hunt

Promise of Manitoba's younger mines. Told by the mining editor now visiting the western fields. How the high price for gold is spurring Canadian mining. Page 24.

Personalities

C. A. Bogert's 53-year climb to chairmanship of The Dominion Bank. How bank president C. H. Carlisle progressed from school superintendent to industrial and financial leadership. Page 11.

Income Tax

Source of rulings on depreciation that save money for Canadian industries. American plans that Ottawa is watching. Page 12.

Nazis in Austria

Significance of Nazi movement in Austria. Hitler and Germany's reasons for intrusion, and the attitude of other powers. Told by J. L. Burton-Lewis. Page 6.

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PAPER MAKERS ARE OPPOSED BY PUBLISHERS

Price Fixing Proposal Runs Into a Few Snags

AT CRITICAL STAGE

Present Juncture Important One to Operators — Gain in Security Values Seems Premature

From Our Own Correspondent

MONTREAL. — Any newsprint producer in Canada or the United States who thought that there would be little opposition to the proposed code supplement, fixing the price of newsprint, when it came up for public hearing, was only deluding himself.

Opinions expressed by the producer and consumer before Deputy Administrator Pickard of the N.R.A., give the impression that the hearing was a miniature disarmament conference.

Great Northern Paper Co., one of the major newsprint producers in the States, came out flatfootedly and said that they would not go along with the other producers.

Some of the publishers want the supplemental code adopted, fearing chaos and a newsprint famine unless it is.

Others, including the American Newspaper Publishers' Association and the Scripps-Howard Newspapers, ask N.R.A. not to approve the supplemental regulations claiming that the code addition would set up a monopoly to fix prices.

Decision is Important

In the balance hangs the price of newsprint, the publishers' basic raw material. The ultimate disposition of the supplemental code may mean profit or loss to publishers, or profit and loss to newsprint makers, in 1934 and thereafter.

Further discussions will take place and it is expected that the hearing will be resumed toward the end of this week.

Position is Strengthening

Meanwhile both the Canadian and American newsprint makers are making every effort to strengthen their position—a position which has undergone a change for the better due to the substantial increase in consumption of newsprint paper.

Since last July mills in Canada and the United States have been operating on a better scale. Prospects for the first half of this year are favorable and if the price of newsprint can be stabilized at $41 a ton, with zone differentials, with a readjustment upward toward the end of April, earnings for 1934 will be appreciably greater than in 1933.

Need Supplemental ode

Another important angle to the situation is that the Canadian and American producers have entered into a co-operative arrangement, at least as far as marketing in the States is concerned. If the American manufacturers are unable to put over their programme with the N.R.A. there is the very good possibility that some of the Canadian operators may adopt their own methods to secure a large share of the new business offering.

Agreement in Force

The agreement between the Newsprint Export Manufacturers' Association of Canada, usually abbreviated to N.E.M.C., and the Association of Newsprint Manufacturers' of the United States, is now in force.

This pact provides for the maintenance of prices on the $41 a ton base price basis, with a promise by the Canadian subscribers to abide by the terms of fair competition as laid down in the NRA code.

Pool in Operation

In order to secure the full support of the Canadian producers, it was necessary for some of the more important interests to pool a certain tonnage of newsprint for distribution to those companies which were hard-pressed for additional business.

This "pool" of 50,000 tons is now in operation. Chief beneficiaries are Price Bros and Co., St. Lawrence Paper Mills and Donnacona.

Speculate in Securities

Improvement in demand for newsprint, more particularly from the United States, has created a greater feeling of confidence. Many of the newsprint operators feel that they have passed through the worst period and that it is only a matter now of keeping what business they have and hoping for an advance in prices.

The more optimistic reports of late, however, have revived interest in the newsprint bonds and stocks and some substantial advances in market value have been recorded. While the situation in the newsprint industry is better, those who have an intimate knowledge of the improvement made by the individual operators feel that the advance in security values is not altogether warranted. They point out that many of the companies are still in the hands of receivers and that even with a continued upward trend in consumption and a possible price increase later in the year, considerable time will elapse before the operators are back on their feet. Meanwhile resumption of bond interest payments or dividends, where such have been deferred, are a long way off in the future.

Fond of Reading?

NEVER can get hold of enough books?.....Or the new books?.....Or the older books you want?.....Or the book someone says you simply must read?

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The Nation's Business

(Continued from page 1)

which has been so much in evidence in the past six or eight months.

* * *

Stevens Committee Can Range Widely

IT IS not without its irony that "fish" should have been added to the omnibus business practices probe of Parliament as a suitable subject for investigation. For if ever a Parliamentary committee started out on a fishing expedition, this committee is one. The public is assured of a rare feast of sensational newspaper headlines. The committee called for in the prime minister's resolution, and which had been foreshadowed in Hon. H. H. Stevens' recent attack on the business practices of large corporations, will have power to range over the entire field of trade and commerce and finance. If there were 1,100 members instead of 11 and if they broke up into a hundred committees they could sit for a year without covering more than a fraction of the ground that has been allotted to them for exploration.

Thus one of the first jobs of the committee will be to particularize to some extent as to its functions; to choose two or three specific subjects for examination and to make an honest and painstaking study of these.

* * *

THE buying practices of department stores and chain stores will probably turn out to be the chief topic of inquisition. In the long run a good airing of this subject should be very useful. Isolated instances have been widely quoted of what appear to be, prima facie, rather vigorous use of the big stick of buying power by large merchandising organizations. Yet there are scores of manufacturers who will declare that they would rather sell to the few big stores than to the host of little ones. But in the probe, the consumer should not be the forgotten man. The impression should not be given out that a mere narrowing of the margin of cost between producer and consumer of manufactured articles is something to be deplored. The extent of the contribution made by large as well as small organizations to more efficient distribution methods ought not to be overlooked.

Also, in regard to its probe into buying policies of large retail organizations, the committee faces a dilemma as to what its real function is. Is it to investigate unfair competitive practices or is it to investigate the effects on social and community life in Canada of the tendency to rapid expansion of the larger units in the field? In the addresses in Parliament that followed Mr. Bennett's introduction of the resolution calling for the investigating committee, there was much confusion on this point. Many of the members were obviously uncertain as to whether the committee was to study the business sins of individuals or the social sins of a system.

* * *

THE buying methods of the larger retail units is only one of many subjects the committee has on its agenda. Investigation of labor conditions in such highly competitive industries as the garment trades, textile mills and furniture plants may reveal some startling evidence. The committee's terms of reference are broad enough to permit any disgruntled unsuccessful business man, investor or producer in any field to make public his complaint. This will lead to an obvious excess of apparently sensational but ultimately inconsequential material. Parliamentary probes have this unavoidable bad habit. Whether the muckraking or the serious study of business trends is the dominant note depends upon the chairman.

* * *

Costly Competition With Private Business

BRIG.-GEN. C. H. MITCHELL, retiring president of the Toronto Board of Trade, reiterated an important point this week when he urged that governments keep out of business as far as possible.

The tendency for some years has been for governments greatly to increase the services rendered to the public, thus adding not only to governmental expense, but discouraging and in many cases crippling private enterprise. This in turn reduces employment and decreases taxes which could otherwise be collected from prosperous concerns.

Duplication of railway and steamship services has probably been the most flagrant and costly example. There are, however, many others including publications and books in agriculture, trade and commerce and other departments. The information contained in these publications could be disseminated better and more widely if the government would discontinue their publication and co-operate with publishers of farm and business newspapers and other publications instead of considering them as competitors.

Boards of trade and other associations also go in for unnecessary duplication of services now adequately provided by existing businesses. To take one example, should not the Canadian Chamber of Commerce also adopt General Mitchell's suggestion and make use of established business papers in Canada instead of entering into competition with them by publishing its own magazine? A bulletin service to members could be used to supplement the information given through the established business press.

59c DOLLAR MAY DISTURB GENERATIONS

(Continued from page 1)

brief, the British overvalued the pound and the French undervalued the franc, it is said.

Now it is claimed that the United States has undervalued the dollar. On this supposition, one authority told The Financial Post he expected a heavy flow of capital and gold to the United States, rising American prices and a boom in American internal commerce, at least over the short range.

Some close students question whether the American dollar has really been put back on the gold standard. It is presumed that the United States Federal Reserve Board will buy all the gold offered at $35 an ounce. But the test is whether it will sell and allow exports of the metal. The gold standard requires free export and import, purchase and sale, at a fixed price. And the new American gold price is not necessarily permanently fixed as long as Mr. Roosevelt has the power to depreciate the new dollar.

Until these matters appear more settled British authorities are expected to watch developments rather than take action to devalue the pound. "We will wait and see," the Chancellor of the Exchequer recently told the House of Commons, when questioned as to the imminence of a currency war. After their unsatisfactory experience in restoring the pound to $4.8665 in 1925, observers expect a cautious attitude in Britain.

Canada's position is that, being a minor economic power, dependent on both the British and American action, it might not be wise for us to do anything about devaluing our dollar pending further developments. Because of our close commercial and financial links with both major economic powers, it is thought that restoration of the former parities would best suit our interests. That would mean a dollar of 59.06 per cent for us, if the new American gold value is permanently established, and if the pound is similarly devalued. A permanently devalued pound might be detrimental to our export prices, and a permanent premium on the American dollar would embarrass our numerous debtors to the United States. If the American currency has been undervalued, so that an artificial boom is created, Canada would be expected to get a similar reaction because of our close economic relationship with the land of the new deal.

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Seaway Treaty Is Sure to Pass Latest Report

From Our Own Correspondent

WASHINGTON.—At mid-week the White House was still confident that the Senate would ratify the St. Lawrence waterway treaty with Canada.

A careful check-up of senators revealed that the administration was still short a very few votes of the necessary two-thirds required for ratification of international treaties. But the president was beginning to bring political pressure to bear upon his followers in the Senate and was reported as supremely confident of ultimate passage of the measure.

Plans had been laid for a vote on Friday or Saturday of this week and when there was some prospect of this vote being delayed, because of other business that had suddenly developed, the White House was not disturbed for it provided an opportunity to line up enough Republican votes, chiefly from the Progressive group, to offset Democratic losses on the seaway measure.

VICTORIA TRUST PROFIT WAS 7.9 p.c.

Estates Business Increased—Adds $100,000 to Investment Reserve

Net earnings of Victoria Trust & Savings Co., Lindsay, Ont., were $73,554 in 1933 and after reserve for Federal taxes the company earned 7.97 per cent on paid-up capital of $810,000 as compared with 12.26 per cent earned in 1932. Dividends were paid at the rate of 8 per cent. The sum of $100,000 was transferred from reserve fund to investment reserve, increasing the latter to $185,000.

Increase in business is shown in the estates department where estates capital account is up to $836,752 from $756,447. In guaranteed trust account the increase in guaranteed investment receipts nearly offsets decline in deposits. Investment receipts are up to $4,714,974 from $4,690,213 and deposits are down to $1,365,612 from $1,424,348. Assets in guaranteed trust account include cash at $42,570, provincial and government guaranteed bonds at $41,098 and municipal bonds which are down to $207,624 from $356,224 in 1932. Principal amount of mortgages is only slightly higher at $5,462,623 but interest due and accrued is up to $318,056 from $233,379.

In capital account cash is up to $83,158 from $6,491; there has been some increase in foreign government and other bonds which are up to $162,104 from $122,958 while government guaranteed and municipal bonds are up to $73,237 from $37,770.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned $
1928	800,000	130,347	9+1	16.29
1929	800,000	136,645	10	17.08
1930	800,000	127,801	10	15.97
1931	810,000	119,284	10	14.83
1932	810,000	99,351	10	12.26
1933	810,000	64,553	8	7.97

* Reserve for federal taxes and amount written off premises deducted.

Year	Guar. Account $	Estates under Adminis. $	Reserve Fund $
1928	5,964,421	277,241	700,000
1929	6,023,618	245,977	750,000
1930	6,217,130	451,270	760,000
1931	[illegible]	[illegible]	[illegible]
1932	[illegible]	756,447	800,000
1933	6,089,586	836,752	700,000

Canada Bread's Half Year Results in Net Loss $40,659

Detailed analysis of the operations of Canada Bread Co. from the beginning under the auspices of the reorganized board of directors makes it apparent, according to a letter sent to shareholders by the new president, C. H. Carlisle, that the company "is materially over-capitalized and that it has had and still has an over-plant capacity." The new directors appointed last October were, in addition to Mr. Carlisle, C. B. Shields, Loblaw Groceterias Co.; R. S. Waldie, Victoria Harbor Lumber Co., and A. V. Loftus, present manager Canada Bread Co.

Profits for the first half of the company's fiscal year ended Dec. 31, 1933, were considerably retarded by one rather large purchase of flour at a price which later proved to be much higher than the average price of flour for the six-months period. The net loss for the period was $40,659.

Volume of sales for the six months has shown an increase over that of the six months period ended December 31, 1932. Dollar value of sales is up 10 per cent in cake and 2 per cent in bread as between the comparative periods.

Unused Assets

The letter of Mr. Carlisle further states that the company has an investment in buildings not used by the company for business purposes amounting to $44,000, and an investment in lands not used for business purposes of $197,000. Some of these properties have been owned by the company since 1911. The net carrying charges to date comprising taxes and interest at 6 per cent on idle properties are $492,000.

The Canada Bread Co. has an investment in a subsidiary company amounting to $568,000, and is also guarantor on a loan made by the bank to this subsidiary for $208,000. There is a reserve of $275,000 for shrinkage in investment values against this asset.

Studying All Plants

With respect to the Danforth plant, which cost $600,000 the report of Mr. Carlisle says:

"This plant is at present used for a distributing depot but is not being put to productive use commensurate with capital invested. Some of your plants have shown a material loss for the past two to four years. A careful study is now being made of all your plants by your operating staff and by an outside investigator. There is little question but that a marked improvement can be made in the very near future.

"Goodwill" Rated Very High

On other matters which are of great interest to shareholders the report says:

"Your company has quite an item of goodwill amounting to $2,354,000. In 1923, there was an appraisal made of your plants, whereby the fixed asset value was increased by $930,578. Capital surplus arising from this increase was used in 1926 to write down goodwill valuation. At the same time, an amount of $200,000 was transferred from earned surplus and $176,906 from general reserve account as an offset to goodwill valuation which was reduced in total by an amount of $1,307,484. The figure of $2,354,000 as at present carried on balance sheet represents net valuation after deduction of the $1,307,484. . . .

STEEL WARES PROFITS GAIN SHARPLY IN '33

(Continued from page 1)

standing down to $7,452,000. On these redemptions there was a capital profit of $173,063.

Both in 1932 and 1933 accounts the capital profit arising from the redemption of bonds was applied to the income account. This reduced the deficit in 1932 to $224,837. On the same basis the 1933 accounts showed a surplus of $113,783. This was used by the management to writing down the profit and loss account debit from $1,320,861 to $1,207,077.

No Depreciation Yet

No depreciation reserves have been set up by General Steel Wares since 1930. In the intervening period, however, the company has spent large sums on maintenance and has made capital expenditures on fixed assets out of earnings.

Working Capital Position

Working capital was well maintained at the end of 1933, current assets totalling $4,085,063 compared with current liabilities of $882,370. Bank loans show an increase from $252,235 to $449,000.

ACTION IS KEYNOTE AS TRADING PROBE ARRANGEMENTS MADE

(Continued from page 1)

silk manufacturers, while following developments closely, have made no attempt to gather information as they are uncertain just where they stand, The Financial Post was told. Flour millers have not, as yet, been questioned nor have they convened to ascertain their probable position, it was learned. This also applies to the rubber and food trades and to the whole group of capital goods industries.

With regard to recommendations, it is thought to be pretty definite that steps will be taken to ensure more adequate enforcement of the Minimum Wage Acts in the provinces and the extension of these acts to cover male labor. Some action will probably be taken to eliminate as much as possible the "loss leader" in retail merchandising. It is thought possible that legislation providing for a measure of price regulation under control of individual industries may result. Any such action would, of course, require drastic revision of the Combines Investigation Act.

Mention Two Experts

From Our Own Correspondent

OTTAWA.—Preparatory to the investigation into mass buying and distribution costs by the commons committee, the Government is forming a body of experts to advise the members of the committee with the distinct possibility that these experts will evolve, later on, into a permanent industrial council for Canada.

The name which is being suggested is "The National Fair Trade Council" and foremost among those who have hitherto qualified as experts are Percy Sparks, textile man of Ottawa, and Harry Hereford also of Ottawa. Mr. Sparks is well known in industrial circles of Canada. Mr. Hereford while not as well known has had a broad experience in industrial affairs.

While confirmation cannot be obtained from members of the cabinet, it is believed these two are but the central figures in a much larger group of experts. Key men in various industries are being conscripted for the service and the outstanding experts of various departments of Government—notably the Research Council—are being loaned to the committee for the duration of the enquiry.

At the outset these experts will function chiefly as committee advisers, looking after such matters as the calling of witnesses, the correlating of evidence. But back of the committee enquiry there is every indication of a permanent Government policy. If, as is expected, the enquiry reveals fundamental weaknesses in business methods there will be an insistent demand for reform. This field of legislation, however, lies almost exclusively within provincial jurisdiction and the first act necessary will be to amend the British North America Act to centralize authority at Ottawa.

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The Fifth Session of the Eighteenth Legislature (opened in Toronto January 31) will be followed by an Ontario General Election. Its proceedings should be of more interest than for many years past.

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Proulx
Rubin Bros.
Rubin Florist, Inc.
General Stores
Kresge's
Messier, L. N.
St. Henry Syndicate
Printers
Gordon, T.
Special Pages
Cinéma de Paris Sound Installation
Notre-Dame de la Défense
Specialty Shops
Au Petit Versailles
Imperial Silks & Woollens
Marshalls Silks
Silbro Textile Co.
Simpson's Linen Store
Styles Hand Bag Shop
Undertakers
Bergeron, J. B.
Co-operative Ass'n. of Undertakers
Desrochers, L.
Dubreuil, J. M.
Funeral Assurance Co. of Montreal
Hubert, A.
Lapointe, B.
Lussier & Son
Monty, Lefils & Tanguay
Poirier, M.
Thériault, L.
Vallée, J. S.
Vandelac, G.
Wayland & Vallée
Miscellaneous
Laurin, G. (Puzzle)
Anglo-American Trading Co.
Arena Knitting Co.
Beauchamp, A. A. (Old Gold)
Bélair (Traitements)
Bench & Table Service
Bernier Hardware Co.
Boucher Express
Brière, R.
Brunet, J.
Burroughs Adding Machine of Canada
Canada Lab. Window Cleaning
Canadian Social Hygienic Council
Canadian Trade Ass'n.
Candyteria
Castle & Son (Storage)
Chateaubriand (Pastry Shop)
City of Montreal
Crazy Crystals
C. S. P. C. A.
Delisle, J. (Medicine)
Dominion Gold Buyers Co.
Dominion Umbrella Stores
Duchesneau (Piece Goods)
Duckett, J. A. (Medical Supplies)
Du Verger
Empire Shoe Rebuilders
Exchange Bureau
Fair Deal Gold Buyers
Fédération des Charités Canadiennes-Françaises
F & F Products
Foyer du Lecteur
Garcia (Photo.)
Gervais Express
Glendale Trading Co.
Harrison & Co. (Misc.)
Harbor Commissioners of Montreal (Freight Storage)
Institute of Prophylaxy
International Ass'n. of Mfgrs. (Puzzle)
Jackson Studio (Photos)
La Rose Photo Studio
Laura Secord Candy
Laurencelle Seeds & Birds Co.
Leboeuf J. B. (Treatments)
Lemert, E. (Goitre Treatment)
Lise, Mme. (Treatments)
Machinery Equipment & Supply Co.
Marathon Confectionery
Martel, C. A. (Fireplace Apparatus)
Martin, C. (Surgical Instruments)
Medical Institute of Cancer
Merchants Awning Co.
Mercier, A. (Candy)
Miller Bros. & Sons
Miller & Cleghorn (Treatment for Deaf)
Montphar Laboratory (Medicine)
Montreal Chop Suey Co.
Montreal Refrigerating & Storage
National Glass Co.
Northern Industrial & Commercial Exposition
Notman (Portraits)
Nurses' Ass'n.
Old Gold Buying Co.
Para Products Corp. (Disinfectants)
Pascal Hardware, J.
Payfer, R. (Tricks)
Philbin Hardware Stores
Precious Metal Refining Co.
Rena Canadian Products
Renaud, G. (Puzzle)
Royal Edward Institute (Tubercular Treatment)
Royal Novelty (Contest)
St. Denis Theatre Opening
St. Germain Medicines
St. Justine Hospital
Toronto Gold Buying Co.
Tuttle, W. P. (Advertising)
Westmount Moving & Warehousing

MUSICAL INSTRUMENTS
Archambault, E.
Landry, P.
Langelier, J. Donat
Lauzon-Phaneuf
Layton Bros.
Lindsay's
Marrazza
Shaw's
Valade & Lafortune
Willis & Co.

PROFESSIONAL
Barrett, Dr.
Benoit-Benoit, A.
Butler's
Carrière & Sénécal Inc.
Chalifoux, I. E., Dr.
Décarie, Dr Noel
Fauteux, Dr. G. (Dentist)
Forest, Dr. A.
Fournelle, J.
Fournier, Albert (Patents)
General Accountants Ass'n.
Girouard, Dr. A.
Hurtubise, L. (Chiropractor)
Marion & Marion (Patents)
Masson, Dr. A.
Noury Co., J. C.
Ouimet Optical Institute
Prévost, Dr J. M. E.
Rhéaume, Dr.
Ritholz, Dr.
St. Germain, J. E.
Tait-Favreau, Ltd.
Thibault, R.
Weinfield & Rudenko

RADIO
Atlas Radio Supply Co.
Audet, J. E.
Barbeau, L. C.
Beaudet, C. A.
Beaudet, M.
Bleury Radio Tube & Service
Breault, A.
Canadian Elec. Supply Co.
Chalifoux, S.
Desrosiers, L.
Durault, R.
Expert Radio Service
Généreux Radio & Refrigeration Co.
Hartney
Lacelle, J. D.
Mireault & La Salle
Paul Radio Service
Pinet & Jarry
Poisson Service, A.
Radio Hospital
Radio Tubes & Service Co.
Robert, M.
Ross-Hall
Shanks & Bros.
Tousignant, J. W.
Valade, P.

REAL ESTATE
Castle Bldg.
Chaput, J.
Cradock Simpson Co.
Industrial Realties Co.
Léger, R.
Lindsay & Co., C. W.
Mark Fisher Realties & Investments
Morgan Realties Inc.
Mount Royal Homesites
Promoter of Industry
Smith, J. E.
Trueman, C. H.

SPORTING GOODS
Arlington Cycle & Sports, Ltd.
Béliveau, A.
Bentley Cycles & Sports
Choquette, J.
De Lanauze, H.
De Serres, O.
Dorais, R.
Eastman Kodak Stores, Ltd.
Kellam's
Lacasse, J. A.
Montreal Tennis Restringing
Mur-Forest Bat Co.
Swedish Canadian Ski Co
Trans-Canada Film

STATIONERS
Granger Bros.
Vincent, A. H.

TOILET GOODS & BEAUTY SHOPS
Albani
Alma, Mme.
Amherst
Armand
Au Paradis
Barrette, M.
Bayard, Mme. H. D.
Beauchamp, A.
Bélanger
Bellefontaine, H. L.
Bernard, Prof.
Betty Lou
Blanchard
Boivin, Mlle. A.
Boivin, Mlle. B.
Castle Beauty Parlor
Charbonneau, A.
Charmaine
Chez Narcisse
Claude
Doris
Duchesse
Du Verger
Elaine
Emile, M.
Etienne
Farly
Gaudette
Gauthier
Goulet, J. R.
Gracia, Prof.
Guy Beauty Parlor
Ideal Beauty Parlors
Jacqueline
Jacques—1459 McGill College Ave.
Jeanne
Jeanne d'Orléans
Jeannette, Mme.
Jeannine
Juliette
Keva Institute of Paris
Knopp's Beauty Parlor
L'Aiglon Ltée
Langevin, Y.—4529 St. Denis
Ligot, C.
Macduff
Madeline
Maintenon
Mannus System, The
Manon
Marie-Antoinette
Maurice, Our Hairdresser
Miami Salon
Moulin Rouge
Mount Royal Hotel Beauty Parlor
Nisen, J.
Noel
Old Colony
Outremont
Paul Institute
Pearly
Permanent Wave Shop
Philips Beauty Parlor
Pinault, Mme.
Pompadour
Punde & Boehm
Rachel
Rayes Beauty Salon
Raymond
Resther
Reynard Perfumery
Richard
Robertson's Hairdressing Ltd.
Robinette
Roland
Roméo & Roger
Rosette
Rubinstein, Helena Beauty Salon
Sabourin
Salon Albert
Salon Belle-Fleur
Salon Croquignol
Salon Dollard
Salon Dumas
Salon Eva
Salon Giguère
Salon Gracia
Salon Hélène
Salon Jacques
Salon Lafontaine
Salon Renaissance
Salon Rosetta
Salon Roux
Salon Thomas
St. Pierre, Mlle. Y.
Ste-Theresa
Savard, Mme.
Service Beauty Parlors
Valentine
Villeray
Violetta
Wanner's Beauty Studio
Wave-Raye Parlors
Wilbrod
Windsor Hotel Beauty Shoppe
Wynne's

TRANSPORTATION
Champlain Taxi Ass'n.
Modern Taxi Ass'n.
Standard Cabs

General Accounts

BUILDING MATERIALS
American Oil & Paint Co.
Beaver Board
B-H Paints
Canada Cement Concrete
Canada Paint
Canadian Industries
Crown Diamond Paints
Handy Hose Holder
Martin-Senour Paints
Monel Metal
Narvo Paints
Nu-Enamel Paint Prods.
Sherwin-Williams Paints
Steelcote Paint Prods.

ELEC. APPL. & SUPPLIES
Refrigerators
Frigidaire
General Electric
Westinghouse
Vacuum Cleaners
Hoover
Premier
Washing Machines
Connor
Miscellaneous
Burgess Flashlight
Canadian General Elec. Range
Canadian General Elec. Co. Appl.
Edison Mazda Lamps
Montreal L. H. & Power
Northern Elec. Co.
Northern Elec. Gurney Ranges
Northern Elec. Sound System
Photophone
R. C. A. Photophone
Westinghouse Appliances

FOOTWEAR
Aid-A-Walker Shoes
Astoria Shoes
Caloric Soles
Fleet Foot Shoes
Gioconda Shoes

FURNITURE & HOUSEHOLD
Ayers Beddings
Congoleum Rugs
Dominion Oilcloth & Linoleum Co.
Ozite Rug Pads
Simmons Co. Products
Snyder's Furn.
Toronto Feather & Down Co.
Wabasso Cotton Fabrics

GROCERIES
Baking Products
Aunt Jemima Flour
Brodie's Flour
Brosseau Bread
Brosseau Cake
Caron Bread
Christie's Crackers
Dad's Original Oatmeal Cookies
Educator Crackers
Egg-O Baking Powder
Egg-O Baking Products
Good Friday Buns
Harrison Bros. Bread
Jackson's Roman Meal Bread, Dr.
Magic Baking Powder
Martin-Paquette Bread
McCormick's Crackers
Meadow Sweet Pie Fillings
Mother's Bread
Oliver's Crackers
Pembrooke Milling Co.
Select Biscuits
Supreme Bread
Vita Wheat
Vi-Tone Baking Prods.
Weston's Crackers

BEVERAGES
Coffee & Tea
Ceylon Tea
Chase & Sanborn Coffee
Chase & Sanborn Tea
Maxwell House Coffee
Red Rose Tea
Salada Tea
Tender Leaf Tea
Soft Drinks
Canada Dry Ginger Ale
Coca-Cola
Corona Beverages
Crosse & Blackwell Tomato Juice
Gurd's Beverages
Libby's Tomato Juice
Orange Dry Co. Beverages
Oxade
Richelieu Mineral Water
Vichy-Celestins
Miscellaneous
Cowan's Cocoa
Daddy
Fry's Cocoa
Hot Scotch
Journet
Lido
Postum
Toddy
Vi-Tone
Cereals & Breakfast Foods
Cream of Wheat
Grape-Nuts Flakes
Kellogg's All Bran
Kellogg's Corn Flakes
Kellogg's Pep Bran Flakes
Kellogg's Prods.
Kellogg's Rice Krispies
N. B. Yeast Flakes
Post's Bran Flakes
Quaker Corn Flakes
Quaker Oats
Quaker Oats Cereals
Shredded Wheat
Condiments
Bema Molasses
Christmas Chicken Sauce
Condor Prods.
Crosse & Blackwell's Catsup
Crosse & Blackwell's Mustard
Edwardsburg Corn Syrup
Heinz Tomato Ketchup
Keen's Mustard
Kraft Salad Dressing
Lea & Perrin's Sauce
Lion Vinegar
Mapleine
Oxo Cordial
Patrico Vanilla
Quebec Maple Sugar Producers
Windsor Salt
Dairy Products
Borden's Eagle Brand Condensed Milk
Borden's Milk
Borden's St. Charles Evaporated Milk
Carnation Milk
Joubert, J. J. Ltée
Klim
Mt. Royal Dairies Ice Cream
Mt. Royal Dairies Milk
Mt. Royal Dairies Prods.
Nestle's Milk
Orbis Milk
Orbis Prods.
Poupart & Co. A. Prods.
Producers' Dairy Milk
Disinf. & Exterm.
Flit
Fly-Tox
Javel-O
Jim Crow
Lysol
Mysterious Roach Powder
Parisian
Rat Bitters
Ratopax
Sapho
Whis
Wilson's Fly Paper
Meats & Fish
Crossed Fish Sardines
Hatton Co. D. Fish Prods.
La Belle Fermière
Maple Leaf Sausages
Morantz Beef Co.
Paris Pâté
Swift's Meat Prods.
Wilsil's Meat Prods.
Soaps & Cleansers
Babbitt's Cleanser
Bab-O
Big Five Cleanser
Bon Ami
Chipso
Comfort Soap
Diamond Tints
Duraglit
Fyco Powder
Gem Lye
Hawes' Floor Wax
Imperial Cleaner
Johnson's Glo-Coat
Johnson's Wax
Lux Flakes
Mystic Hand Cleaner
Old Dutch Cleanser
Oxydol
Palmolive Princess Soap Flakes
Rinso
Sbu-Re-Nu
Sunlight
Tintex
Wet Me Wet
Miscellaneous
Aylmer Soups
Aylmer Vegetables
Aylmer Prods.
Baker's Coconut
Beefex Beef Cubes
Benson's Corn Starch
Bifti Oxtail Soup
Bing Cherries
Bovril
Brodie's Jelly Powder
Brodie's Prods.
Campbell's Soups
Canada Starch Co. Prods.
Certo
Chef Ready Meals
Clark's Prods.
Cox Gelatine
Crosse & Blackwell's Jams
Crosse & Blackwell's Marmalade
Crosse & Blackwell's Soups
Heinz Baked Beans
Heinz Soups
Heinz Spaghetti
Heinz Prods.
Jaffa Oranges
Jell-O
Keiller's Marmalade
Mazola Oil
Oxo Cubes
Pastene Olive Oil
Royal Rose Prods.
Shirriff's Desserts
Shirriff's Marmalade
South African Fruit
Swift's Shortening
Tem-Ting Instant Dessert

HEATING & PLUMBING
Heaters & Stoves
McClary Ranges
Oil Burners
Bunsen
Fairbanks
Lynn
Master
Royal
Silent Glow
Miscellaneous
Johnson Vacu-Draft
La Salle Coke
Peat-Heat

HOTELS & RESORTS
Bermuda Hotels Inc.
Bermuda Trade Development Board
Biltmore-Commodore Hotels, N.Y.C.
Charlevoix Hotel, Ste. Irénée-les-Bains
Chateau Frontenac, Que.
Chesterfield Hotel, N.Y.C.
Commodore Hotel, N.Y.C.
Edison Hotel, N.Y.C.
Lincoln Hotel, N.Y.C.
Marseille Hotel, N.Y.C.
New Brunswick Tourist Bureau
Pinehurst Inn, Val Morin Que.
Plaza Hotel, Tremblant L.
St. Paul Hotel, Quebec
Victoria Hotel, N.Y.C.

INSURANCE
Canada Life Assurance Co.
Canadian Gov't. Annuities
Confederation Life Ass'n.
Continental Life Ins. Co.
Crown Life Ins. Co.
Dominion Life Assurance Co.
Excelsior Life Ins. Co.
General Exchange Ins. Corp.
Great-West Life Assurance Co.
Imperial Life Assurance Co.
Institutional Insurance Campaign
Liverpool & London & Globe Ins. Co.
London Life Ins. Co.
Manufacturers Life Ins. Co.
Metropolitan Life Ins. Co.
Monarch Life Assurance Co.
Montreal Life Ins. Co.
Mutual Life Assurance Co. of Canada
Mutual Life Ins. Co. of N.Y.
Nat'l. Life Assur. Co. of Canada
New York Life Ins. Co.
North Amer. Life Assur. Co.
Northern Life Assur. Co.
Portage La Prairie Mutual Ins. Co.
Provident Assur. Co.
Prudential Life Ins. Co. of Amer.
Royal Guardians Life Assurance Co.
Standard Life Assur. Co.
Sauvegarde, La
Sun Life Assur. Co. of Canada

JEWELLERY
Big Ben Clocks
Tudor Plate

MEDICAL
Abbey's Salt
Absorbine, Jr.
Adlerika
Anchor
Andrews Liver Salt
Angostura
Antalgine
Antilles Tea
Apollo
Arex
Aspiosen
Baby's Own Tablets
Bayer's Aspirin
Beecham's Pills
Beech-Nut Cough Drops
Bisurated Magnesia
Blosser's Medical Cigarettes, Dr.
Blue Jay
Ant Bonin Trusses
Bon-Kora
Buckley's Mixture
Burdock Blood Bitters
Carter's Little Liver Pills
Celery King
Charles, Dr. Chocolate Vermifuge Pills
Chase's Food, Dr.
Chase's Pills, Dr.
Chase's Salve, Dr.
China-Roid
Circus Oil
Creomulsion
Cress Corn Salve
Cystex
Dalet Balm
Delano's Rheumatic Conqueror
Dentox Pills
Diotex
Dodd's Kidney Pills
Eau Précieuse Dépensier
Eczemol
Eno Salts
Epilex
Fairyfoot
Familex
Fellows Syrup
Femol
Flapzo Method
Fleischmann's Yeast
Fletcher's Castoria
Fowler's Extract of Wild Strawberries
Freezone
Fruit-A-Tives
Galton Pills
Garfield's Tea
Gastronal
Gauvin's Powders
Gauvin's Syrup
George Carbonneau Remedies
Germolene
Gin Pills for the Kidneys
Gray's Syrup, Dr.
Grip-Lax
Grove's Bromo Quinine
Gyraldose
Gyraldose-Jubol
Hanger Standard Artificial Limb Co.
Hormonate
Hudson F. Treatment
Ironized Yeast
Jad Salts
Kinot
Kolade
Kruschen Salts
Lacey's Reducing Gum
Lallemand's Yeast
Lambert's Syrup
Leonard, A. O.
MacLean Stomach Pdr.
Mathieu's Syrup
Mentholatum
Milburn's Health Nerve Pills
Minard's Liniment
Molson's Porter
Montier's Elixir Tonic, Dr.
Moro Pills
Mura Tablets
Mus-Kee-Kee
Musterole
Nature's Remedy
Nazaline
Nasinette
Neo-Stoma
Nixons Nixoderm, Dr.
North Woods Chemical Co. Remedies
Nourysol
Nujol
Nurito
Oriental Pills
Outgro
Ovaltine
Pageol
Painkiller
Pal Supporters (Bauer & Black)
Pape's Diapepsin
Parmint
Pepsine & Gingembre
Pertussin
Phillip's Milk of Magnesia
Pinex
Pinkham's Tablets, L. E.
Pinkham's Veg. Compound, L. E.
Plant's Magnesia Wafers
Plapao Pads
Potion Sirois
Potter & Moore's Anti-Mosquito Cream
Racicotine
Raz-Mah
Red Pills
Rheumanex
Rhumone
Ru-Ma
Sal Hepatica
Santal Midy
Sapinol
Sarrazin's Oil
Scholl's Zino Pads
Scott's Emulsion
Seigel's Syrup
Sena Gastra
Sip-it
Sleepex
Sloan's Liniment
Smithson, Dr.
Sproule's Catarrhal Treatment
Squibbs Adex Tablets
Squibbs Cod Liver Oil
Squibbs Milk of Magnesia
Squibbs Prods.
Steedman's Powders
Sunodium
Sunrise Yoghourt
Thermogene
Thymo-Bomenol
Tisane Des Chartreux De Durbon
Ton-Ton
T-R-C's Capsules
Trench's Remedies
Trilety M.
U-No
Uratabs
Urodonal
Vapo-Cresolene
Vanderhoof & Co.
Vaseline Petroleum Jelly
Veno's Cough Syrup
Vichy-Etat
Vicks Vaporub
Vinol
Virol
Vi-Ta-Rex
Vittel Grande Source
Von's Tablets
Voxease
Williams C.M.C.
Williams Rose Pills
Wincarnis
Wood's Norwegian Pine, Dr.
Yeast-Vite
Yoghourt
Zam-Buk Prod.

MEN'S WEAR
Allan & Co. A.A. Hats
Arrow Shirts
Arrow Underwear
Arrow Prods.
Borsalino Hats
Brock Hats
Brooks Hats
Corti Hats
Courtaulds Underwear
Grover Knitting Mills
Moore's Hats
Penman's Hose
Penman's Garment Prods.
Stanfield's Underwear
Tooke Bros.

MISCELLANEOUS
Liquors
Bols Gins
Bright's Concord
Carling's Ale
Chateau-Gai Wine
Corby's Can. Rye Whiskey
Dawes Black Horse Ale
De Kuyper Gin
Delbeck Champagne
Distillers Corp., Seagrams, Jos. E. Sons
Dow's Prods.
Dubonnet
Duncan's Royal Palace
Emu Wine
Hills & Underwood Dry Gin
Holt's Mountain Cream Whiskey
Hudson Bay Co. Whiskey
Huntley Blend
John Collins Gin
Labatt, John Ales
London Club-London Dry Gin
MacNair's Whiskey
Four Roses Whiskey
Frontenac Ale
G & W Whiskey
Gilbey's Gins
Gilbey's Whiskey
Gilbey's Wines
Grand MacNish Scotch Whiskey
Hennessy Prod.
McCallum's Whiskey
Melchers Distilleries
Melchers Gold Cross Gin
Molson's Ales
Old Mull
Old Parr Antique Whiskey
Peter Dawson
Rhum St. James
Robbie Burns
Robert Hope's Gin
St. George's Wine
Sandy MacDonald
Seagram's Whiskey
Severy Gin
Sir Robert Burnett's Gin
South African Wines
Three Castles Liqueur
United Distilleries
Vickers Gin
Walker's Whiskey, H.
Wiser's Rye
Miscellaneous
Adams Gum
Advertising & Marketing Exhibition, Olympia, London, Eng.
Aromints
Bausch & Lomb Orthogon Lenses
Beech-Nut Candy
Beech-Nut Gum
Bell Telephone Co. of Canada
Brock's Bird Prod.
Bussière, P.
Cadbury's Chocolate
Canadian Advertising Agency
Canadian Chewing Gum Sales Ltd.
Canadian Nat'l. Exhibition, Toronto
Canadian Nickel Prods.
Cellophane
City of St. Lambert
Coats & Clark's Thread
Crawley & McCracken
Demeratti, P. J.
Dennison's Paper Prods.
Dentyne Chewing Gum
Department of Trade & Commerce, Ottawa
Display Want Ad.
Dominion Seed House
Fullworth Mfg. Co.
"Ideal" Sanitary Milk Cap
International Nickel Co of Can. Ltd.
Justrite Pet Foods Inc.
Prof. Kevodjah
Leipzig Fair
Life Savers
Life Savers Chewing Gum
MacDonald, Pettis & Might (Adv. Agency)
Mes Missions (Calendar of Missions)
McConnell & Ferguson
Omega Machinery Co.
Ottawa Exhibition
Pacific Cable Board
Pape Bird & Animal Export H.
Political Notices (Liberal)
Regent Knitting Mills
Reynolds, E. W.
Rowntree's York Milk Chocolate
St. Lawrence College
So-Lo
Sparton Prods. (Ref. & Radios)
Tenasitine
Wrigley's Gum

OFFICE EQUIPMENT
Parker's Pens & Pencils
Waterman's Pens & Pencils

PUBLICATIONS
Books
French Prods.
Lovell & Son, J.
McKim, A.
Misc.
Authors
Mon Libraire
Thomson & Bros., L.

RADIO
Sets
De Forest Crosley
General Electric
Majestic
Marconi
Northern Electric
Philco
Radio Mfrs. of Canada
Rogers
Rogers-Majestic
Sparton
Stromberg-Carlson
Victor
Westinghouse
Tubes
General Elec. Radiotrons
Westinghouse Radiotrons
Miscellaneous
Boulay E.
Pix
Smith, C. H.
Station CFCF
Station CKAC
Programme Advertising
Admiracion
Archambault, E.
Auto Elec. Service Corp.
Buckley's Mixture
Campbell's Soups
Canada Starch Prod.
Canadian Industries
Canadian Trade Ass'n.
Carnation Milk
Champlain Oil Prods.
Crang, Burke & Co.
Derney's Perfume
Dominion of Canada Refunding Loan of 1933
Dominion Oilcloth Co.
Dow's Prods.
Dupont, A. L.
Fauteux, Dr. G.
Familex
Firestone Tires
Fletcher's Castoria
Fruit-A-Tives
General Motors Inst.
Hawes Floor Wax
Hoover Vacuum Cleaner
Imperial Oil
Kraft Salad Dressing
La Liberté
Lambert's Syrup
Langelier, J. D.
Lauzon-Phaneuf
Layton Bros.
Légaré & Co.
Lindsay's
Liverman's
Living Room Furn. Co.
Maple-Leaf Sausages
Marrazza Music Shops
McCormick's Crackers
Melchers Distilleries
Messier, L. N.
Modern Motor Sales
Molson's Ales
Nu-Back
Pilon, J. O.
Rainville Haydon & Co.
Roxy Cigarettes
St. Henry Syndicate
St. Lawrence Furn. Store
Shaw's
Shirriff's Desserts
Shirriff's Marmalade
Silhouette
Sleepex
Sweet Caporal Cigarettes
Swift's Meat Prods.
Sylvestre Benzol
Turret Cigarettes
United Elec. Service
Valade & Lafortune
Valiquette
Viau, H. O.
Woodhouse & Co.
Wrigley's Chewing Gum
Sporting Goods
Bauer-Starr Hockey & Skating Outfits
Canadian Puzzle Co.
CCM Products
Cuddles
Desmarais-Sons Co. E., Canoes
Johnson Outboard Motors
Kodak
Meccano
Penmans Swim Suits
Peterborough Boats
Spalding & Bros. A. G.

TOBACCO
Cigars
Admiration
Arabela
El Bravo
Gold Coin
Peg Top
Punch
Reynolds
Simon's
Stonewall Jackson
Webster
Cigarettes
British Consols
Buckingham
Duchess
Oxford
Philip Morris Virginia Navy Cut
Roxy
Royal York
Spud
Sweet Caporal
Turret
Will's Gold Flake
Winchester
Tobacco
Mascotte
N.D. Tobacco
Rose Quesnel
Sagamore
Turret
Miscellaneous
Boulet
Grothé, L. O. Ltée
Imperial Tobacco Co. Prods.
Philip Morris Prods.
Plumb's Pipe Dr.
Zig-Zag

TOILET REQUISITES
Dentifrices
Colgate
Forhan
Ipana
Kolynos
Listerine
Lormel
Squibb's
Perfumes & Cosmetics
Elizabeth Arden Preps.
Armand Beauty Preps.
Ashes of Roses Prep.
Bourjois
Campana's Italian Balm
Derney's Perfume
Galardo Cream
Gloire De Paris
Gouraud's Beauty Preps.
Hind's Cream
Johnson's Baby Powder
Lanzette, Annette
Lypsyl
Matite Powder
Maybelline
Mello Glo Face Powder
Mi Dream Beauty Prep.
Noxzema
Outdoor Girl Beauty Preps.
Pompadour Cream
Pompeian Prep.
Pond's Preps.
Helena Rubinstein Beauty Preps.
Sils Longs
Simon's Crème
Tulipe Noire Parfum
Yardley Lavender Preps.
Soaps
Baby's Own
Blondex Shampoo
Calay (Camay)
Cuticura Prods.
Palmolive Shaving Cream
Lifebuoy
Palmolive
Lux
Resinol
Ritz Shampoo
Skima Prods.
Squibbs Shaving Cream
Williams Shampoo E.
Williams Shaving Cream
Woodbury
Yardley Lavender
Miscellaneous
Admiracion
Boker King Cutter Razor
Cutex
Danderine
D.B.D.
Duroy H. Mme.
Eddy's Tissue
Ever-Ready Blades
Fitch's Prods.
Gillette Blades
Goldman, Mary T. Prod.
Iere Humming Bird Bay Rum
Keystone Toilet Sets
Kismet Blades
Kling
Kolor-Bak
Kotex
Leriger's Beauty Restorer, Rose
Listerine
Lucky Stroke Blades
Mercolized Wax
Monark Blades
Mum
Murine
Northern Tissue
Odo-Ro-No
Onliwon Towels
Orlex
Pal Blades
Palmolive Shaving Requisites
Pepsodent Antiseptic
Purex-Westminster Tissue
Shadeine
William's Rayex
Williams Toilet Requisites
X-Bazin
Wardonia Razor

TRANSPORTATION
Airways
American Airways
Canadian Airways
Railroads
Canadian National
Canadian Pacific
Delaware & Hudson
Illinois Central
London Midland & Scottish
Montreal & Southern Counties
Montreal Tramways
New York Central
Rutland
Santa Fe
Seaboard Air Line
Steamships
American Export
American Mail
Canadian Pacific
Canada Steamship
Clarke
Cunard
Cunard-Anchor
Dollar
French
Hudson River Night
North German Lloyd
Red Star
Steamer Terrebonne
Venise Cruising Co.
White Star
Tours
Hone Tours Inc.
Larocque M.
Montreal Travel Agents Ass'n.
Miscellaneous
Provincial Transport Co.

WOMEN'S WEAR
Armour Brand Buttons
Bianchini, Ferier Silks
Chatelaine Hosiery
Circle Bar Hosiery
Coudurier, Fructus & Descher
D & A Corset
Dognin Materials
Harvey Woods Under Garments
Meyer's Woolens
Nu-Back
Penmans Hosiery
Penmans Prods.
Winnie Winkle Dresses

Automotive

GARAGES & SERVICE STATIONS
Auto Electric Service Corp.
Battery & Elec. Serv. Co.
Bleury Garage
Bonhomme, Jos.
Bourassa, H. E.
Carwash Co.
Charbonneau Garage
Collette Battery Service
Crescent Garage
Cusson Brothers
Davidson, W. D.
Detroit Radiator Co.
Dominion Motor Car Co
Laliberté Auto Body Repair
Laurier Batteries & Service
L'Ecuyer Vulcanizing
Léonard Garage
Massé Garage
Metropolitan Garage
Merit Motors Limited
Motordrome Garage
Normandeau, & Son, A.
Nu-Way Auto Battery Electric Service
Paradis, R.
Poirier, J. L.
Racine, A.
Sanguinet Garage
St. Denis Motor Salvage
Stadium Tire Service
United Garage Assn.

GASOLINES & OILS
Champlain Oil Products, Ltd.
Guardian Oil Co.
Imperial Oil Limited
McColl Frontenac Oil Co.
Pyroil Co.
Shell Petroleum Co.
Socony Vacuum Corp.
Sun Oil Co.
Sylvestre Oil Co.
Tidewater Oil Corp.
Vixol Petroleum
Wakefield Castrol

PARTS & ACCESSORIES
Ca-Vel Velours
Champion Spark Plug
Everite
Federal Rubber Prods.
Fisher Bodies
Gas Saver
Hamel & Guertin
McKinnon Industries
Prest-O-Lite
Scintilla
Simplex Piston Rings
Skinner Co.
Stewart-Warner Prods.
Willard Batteries

PASSENGER CARS
(New)
Auburn
Austin
Cadillac-La Salle
Chevrolet
Chevrolet Oldsmobile
Chrysler
Chrysler Institutional
Chrysler-Plymouth
De Soto
Dodge
Dodge-De Soto
Essex
Ford
Frontenac
General Motors Institutional
Graham
Hudson-Essex
Hupmobile
McLaughlin-Buick
Oldsmobile
Packard
Plymouth
Pontiac
Reo
Rockne
Studebaker
Studebaker-Rockne
White Motor Car Co. Institutional
Willys

PASSENGER CARS
(Used)
Benoit Motor Sales
Collyer, R. P.
Genereux Motor Car Co.
Girard Automobile Inc.
Just Motors
Leduc Automobiles, Ltd.
Légaré Automobile & Supply Co.
Modern Motor Sales
Montreal Used Car Dealers
Packard-Montreal Motor Co.
Paramount Motors

TIRES & TUBES
Boileau, N.
Canada Tire Co.
Canada Tire Co. (Dunlop)
Canada Tire Co. (Firestone)
Commercial Tires, Ltd.
Dominion
Dunlop
Firestone
Goodrich
Goodyear
Gutta Percha
Provincial Tire Sales
Seiberling
Super-Lastic
United Tire Stores (Dominion)
United Tire Stores (Seiberling)

TRUCKS & TRACTORS
Chevrolet
Federal
Ford
General Motors
Reo Speed Wagons

MISCELLANEOUS
Eveready Prestone Anti-Freeze
K.K. Tire & Auto Parts
Légaré Auto & Supply Co.
Montreal Auto Parts
Montreal Automobile Trade Assn.
Montreal Motorist's League
Spark Plug Exchange
Standard N.R.A. Prods.
Taillefer, O.
United Auto Parts

BANKS & TRUSTS
Administration & Trust Co.
Bank of Montreal
Bank of Nova Scotia, The
Bank of Toronto
Banque Canadienne Nationale
Barclays Bank (Canada)
Can. Bank of Commerce
Capital Trust Corp.
City & District Savings Bank
Crown Trust Co.
Dominion Bank, The
Imperial Bank of Canada
National Trust Co.
Provincial Bank of Can.
Royal Bank of Canada
Royal Trust Co.
Trust Général du Canada

STOCKS & BONDS
Barnard & Co., J. E.
Beaubien & Co., L. G.
Beauchemin & Co., L. J.
Beausoleil & Co., G.
Beausoleil & Beausoleil
Bonded Corp. Ltd.
Brault & Chaput
Browne, Urquhart & Co.
Crang, Burke & Co.
Crédit Anglo-Français
Dominion Utilities Corp.
Eastwood & Co.
Geoffrion & Rainville
Gonthier & Co., P.
Grant Johnston & Co.
Hanson Bros.
Hébert & Co., J. A.
Investment Co. of Canada
Jenks, Gwynne & Co.
Johnston & Ward
Kippen & Co.
Leclerc, René T.
Leopold, J. M. & Co.
Logan & Bryan
MacIntyre, A.
McCuaig Bros. & Co.
Nesbitt, Thomson & Co.
O'Brien & Williams
O'Hearn, F. & Co.
Osler, A. E. & Co.
Racine & Co.
Rainville, Haydon & Co.
Reilly, J. J. Co., Inc.
Royal Securities Corp.
Savard, E.
Thomson, Dean & Co.
Thomson & McKinnon
Timmins & Co., J. R.
Trudeau & Co.
Turgeon, H.
Wood, Gundy & Co.

MISCELLANEOUS
Caisse Nationale d'Economie
Canada Cement Co.
Canadian Bankers Ass'n.
Canadian International Trustee Shares
Canadian Investment Fund
Credit & Safekeeping Corp.
Dominion of Canada Refunding Loan of 1933
Dominion Textile Co.
Dorval Siscoe Gold Syndicate
Financial Display Want Ads
Financial Notices
Fire Ins. Co. of Canada
Gann, W. D. Scientific Service
General Finance Co.
General Motors Acceptance Corp.
Gravel, P. E.
Industrial Acceptance Corp.
Industrial Loan & Finance Corp.
Luz Mining Corp.
Manufacturers Life Ins. Co.
Metropolitan Life Ins. Co.
Montreal Stock Exchange
Mutual Life Ass'n Co.
National Alliance
N. Y. Life Ins. Co.
Northern Life Ass'n Co. of Canada
Northern Quebec Gold Mines
People's Thrift & Investment Co.
Power & Equities
Shareholders Protective Committee
Siscoe Gold Mines
Société Nationale de Fiducie
Stadacona Rouyn Mines
Steel Co. of Canada
Tonawanda Mines
Trustee Holdings Distributors
Wabasso Cotton Co.

Refrigerator Accounts Other Than General and Dept. Stores
Archambault, E.
Barbeau
Eureka Refrigerator Co.
Frigidaire Sales Corp.
Hartney
Langelier, J. D.
Layton Bros.
Légaré & Co., P. T.
Lindsay's
Living Room Furn. Mfrs.
Pinet & Jarry
St. Henry Syndicate

Rotogravure
General Display
Antalgine
Armand Beauty Preps.
Ashes of Roses Preps.
Astoria Shoes
Beech-Nut Candy
Bermuda Trade Dev. Board
Bourjois
Buckingham Cigarettes
Canadian Pacific S. S. Co.
Canada S. S. Lines
C. C. M. Products
Chatelaine Stockings
Cox Gelatine
Crown Diamond Paints
Cutex
Ever-Ready Blades
Fairyfoot
Gin Pills
Goldman Prods., Mary T.
Gyraldose
Heinz Baked Beans
Heinz Soups
Heinz Tomato Ketchup
Heinz Prods.
Johnson's Baby Powder
Keystone Toilet Sets
Kodak
Life Savers
Mapleine
Maybelline
Metropolitan Life Ins. Co.
Molson's Ales
Mum
Nu-Bak
Odo-Ro-No
Outdoor Girl Preps.
Ovaltine
Oxo Cordial
Palmolive Soap
Peterborough Boats
Pond's Preps.
St. George's Wines
Seigel's Syrup
Sloan's Liniment
Snyder's Furniture
Spud
Tudor Plate
Waterman's Pens & Pencils
Westinghouse Refrigerator
Williams Shampoos
X-Bazin

ROTOGRAVURE
Automotive Display
Tidewater Oil Corp.
Chevrolet
General Motors Inst.
McLaughlin-Buick
Oldsmobile
Pontiac
Chevrolet Trucks
General Motors Trucks

LA PRESSE

"The dominant advertising mediums of the Montreal-Quebec market"
Published entirely in French

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Toronto Branch: Metropolitan Bldg.

Utilities and Transportation

WPG. ELECTRIC COVER INTEREST FOR PAST YEAR

Small Surplus Shown After All Charges on 1933 Operations

From Our Own Correspondent

WINNIPEG.—Preliminary figures of earnings of Winnipeg Electric Co. for 1933 indicate that the company covered all prior charges, including the usual appropriation for depreciation.

No particulars are available as yet as to the results in the power and light department. The street railway division reports carrying 37,868,761 revenue passengers in 1933 compared with 41,476,657 passengers in the preceding year. The number of car miles operated was 8,697,720, as against $9,610,528 in 1932.

Gross Revenue Lower

Revenues from all sources last year totalled $5,196,399, or about $450,000 less than in 1932. While there was a reduction in operating expenses, net earnings, after depreciation, totalled $1,346,063 compared with $1,516,004 in 1932. Payment of taxes further reduced earnings in 1933 to about $1,014,000, or approximately $150,000 less than in 1932.

Interest on the company's funded debt totalled $889,000 in 1933, or the same as in the previous year. Bank interest and other fixed charges declined from $132,757 to $111,805.

Net income, after all charges, amounted to $12,540 in 1933. This compared with a corresponding figure of $144,502 in 1932.

SICK INTERESTS GIVEN DECISION; CAN BREW IN B. C.

Privy Council Would Permit Vancouver Malt to Operate

From Our Own Correspondent

VANCOUVER.—The position of breweries in British Columbia has been drastically changed as a result of the Privy Council's decision in allowing the appeal of the Vancouver Malt & Sake Brewing Co. from a Supreme Court judgment in favor of Vancouver Breweries, Ltd.

Fritz Sick and associates, several of whom are interested in Alberta breweries, are the men behind the Vancouver Malt & Sake concern. The Reifels dominate Vancouver Breweries.

As a result of the decision the Reifels will receive competition in the beer business for the first time in many years. In the past the Sick breweries have been restrained from entering the British Columbia field—a situation which has more than once caused political upheavals. Ten years ago an agreement was drawn up between the Liquor Board and the Vancouver Breweries and other concerns on Vancouver Island setting up a virtual monopoly of the beer business in British Columbia. Entry of Sick assures that this monopoly will be broken.

Sick repeatedly made application to establish a large brewery near Vancouver and enter the trade on a big scale.

His bid was as often refused on the ground that there were sufficient breweries already in British Columbia and that the shareholders' investments in these enterprises should not be imperilled by open competition like that suggested by the Sick programme.

Finally the Sick interests purchased the charter of the Vancouver Malt & Brewing Co., which was not then operative, and proposed to brew beer. B. C. brewers contended that they were prevented from doing so by an agreement, and an injunction was eventually issued by the Canadian courts. This injunction has now been held invalid by the Privy Council, which pointed out that the instrument was in restraint of trade and contrary to the criminal code. The present agreement was found unreasonable.

Canada's Power Industry Sets New Record Output

Growth in Sales and Market for Secondary Power is Feature of Recent Developments

From Royal Bank Monthly Letter

Production of electrical energy in Canada in July, August, September and October, 1933 exceeded that in the corresponding months of any previous year. In November the amount generated surpassed the previous peak of production attained in November, 1929, by three million kilowatt hours daily, equivalent to six per cent, and without doubt the total amount of energy generated during the year constituted a new record for Canada.

In view of the exceptionally low level of production throughout 1932 and in the early months of 1933, it is difficult to account for the magnitude of production later in the year. Although the intervening months witnessed rapid business recovery, and in spite of the fact that industrial production at the end of the year attained about 87 per cent of the volume of 1926, as compared with 40 per cent in March, this does not constitute an adequate explanation as to why the amount of electrical energy generated in September, October and November, 1933, should have exceeded the production of the corresponding months in 1926 by 49 per cent, or of the corresponding months in 1929 by 3 per cent.

Decline Was Surprise

With due allowance for seasonal fluctuation, the decline in energy production did not begin until 1930, but by the latter part of 1932 it had sunk to about the level of 1928. This falling off in the power industry came somewhat as a surprise, since the production of electrical energy had been pictured as an ascending curve which was likely to be modified only slightly, by relatively severe depressions. It is said that the processes of recovery take place more rapidly than those of recession, and certainly the quick recovery in the amount of energy generated during the past few months would seem to support this conclusion. Since last May the total decline of three years has been more than offset, and at the end of 1933 a new record was established. During 1933 the number of kilowatt hours of electrical energy consumed in Canada was about three times as large as the amount consumed in 1923, and present indications suggest that the total volume for 1934 will be fully four times as large as that of eleven years ago.

Demand More Rapid

The decline in power consumption can be attributed to the complete shutdown of a large number of plants throughout the country. As these plants have reopened, their demand for power has increased far more rapidly than has their volume of production. Most of these plants have contracts under which they pay for a minimum amount of power whether or not it is used. In any case, the unit cost of energy is high for small amounts and the cost per unit decreases rapidly as volume increases. The plant which is operating fairly steadily has every inducement to increase its energy consumption.

Two Great Markets

The great bulk of the power consumption in Canada, and particularly in Quebec, is dependent upon the newsprint mills and the electrochemical industry—the great power using industries—rather than upon the small manufacturing plant and the domestic consumer. The total power used in the city of Montreal including about 50,000 horsepower for the tramways, is the equivalent of only 300,000 horsepower as compared with the 3½ millions of installed turbine capacity in the province. At the low point during the summer of 1932 the paper companies which purchase power from the Shawinigan Water & Power Co., for instance, were making use of less than two-thirds of the amount of energy which they were using late in 1929. In a like manner, the electro-chemical companies at the low point were making use of only about one-sixth as much energy as they used in the maximum months.

Toward the end of 1933, however, the demand for power from the newsprint companies was up to about 90 per cent of that used in 1929, and that of the electrochemical companies at about 80 per cent of their peak demand. The asbestos companies were up to about 75 per cent of peak, as compared with a low point of 25 per cent. These wide fluctuations in the demands of the heavy power consumers have had an even greater influence upon primary power than upon the total volume of energy generated, since the total would include a large volume of surplus power sold for steam production, a subject to which reference will be made later in this letter.

Steam Provides Outlet

In the face of the rapid decline in the demand for power from industry, the power companies were forced to seek an outlet for the sale of their potential surplus. The most important outlet for this surplus has been in the production of steam for industry. The manufacture of newsprint, for instance, is a process that needs the large scale use of electrical energy, but when a newsprint mill also uses this energy to generate steam its requirements for this latter purpose are twice as great as for the operation of the plant machinery. Electrical energy used for steam production cannot bring a return to the power company equivalent to the total cost of production of that energy, but it is far more advantageous to the power company to use its surplus in this manner than to let the water flow over the dam without performing any economic function.

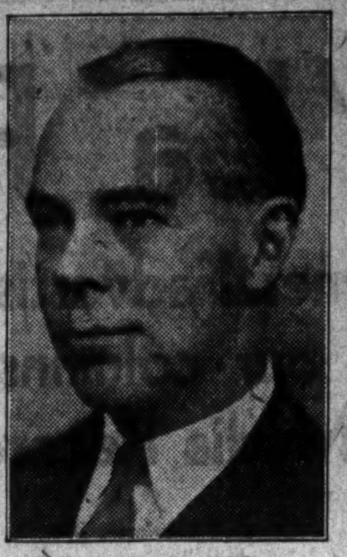
The accompanying chart of the Shawinigan Company gives a clear idea of the importance of power sold for steam, i.e., secondary power. At the end of 1933, for instance, nearly one-third of the energy generated was utilized in this manner. The electrical boiler has been notably successful as a means for the utilization of this outlet for surplus energy. Although the kilowatt hours sold for this purpose go to swell the total figures of electrical energy generated, they are not significant of any substantial increase in industrial activity. Many industries, however, use electrical energy only during relatively limited hours, and this new device which utilizes energy in hours when the load is not heavy, increases efficiency. On most power rivers, such as the St. Lawrence, where there are no facilities for storage, the water must flow twenty-four hours a day. It costs little to keep the generators going, and this non-peak utilization of power is a development of growing importance. It will always be true that in exceptionally rainy seasons many power companies will have a greater amount of water available than they have in normal seasons. Under such circumstances the surplus can be used for steam up to the full limit of the capacity of the plant. It should be noted that the use of power was sufficiently continuous so that the power companies generally did not look upon steam production as a device which would be of importance to them until the depression became pronounced.

Take up Slack

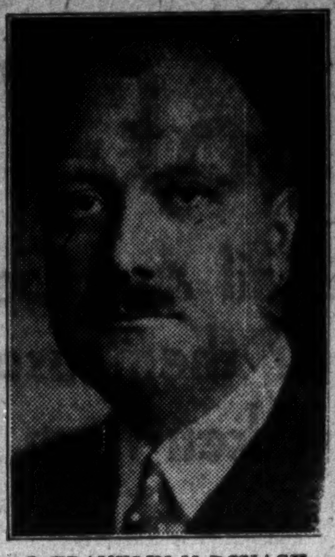
A further reason for the use of electrical energy for the production of steam will be observed in that part of the chart of the Shawinigan Company showing generator capacity. Between 1915 and 1917 the installed turbine capacity of the company consistently exceeded the demand for primary power. In those years it was necessary to allow the surplus water to go to waste. The record of those years stands in marked contrast to the years since 1924 when the use of secondary power has permitted production to be maintained at a level close to maximum capacity. This part of the chart also indicates the succession of steps by which a power company keeps installed capacity ahead of demand for primary power. These steps in themselves imply that there must always be at least some secondary energy available for steam production if turbines capacity is kept abreast of the industry needs of the country. Moreover, in late years when the size of generating units has increased to 30,000 or 40,000 horsepower "and it is always necessary to have at least one spare unit in any large generating station," the ability to utilize the output of the spare capacity has become doubly important.

It is an encouraging fact, however, that the day-to-day reports from the industry indicate that industrial demand is steadily increasing. The Montreal Light, Heat & Power Company report that in the past three months the day-to-day demand for power has been consistently higher than on the corresponding days twelve months before. While business recovery has not been so great as one might think from a study of the total power curve, yet the supplementary evidence from this source as well as that from many other sources indicates a steady improvement in business activity.

Will Direct New Firm



GEO. E. HARLEY



J. FRANKLIN McDONAGH

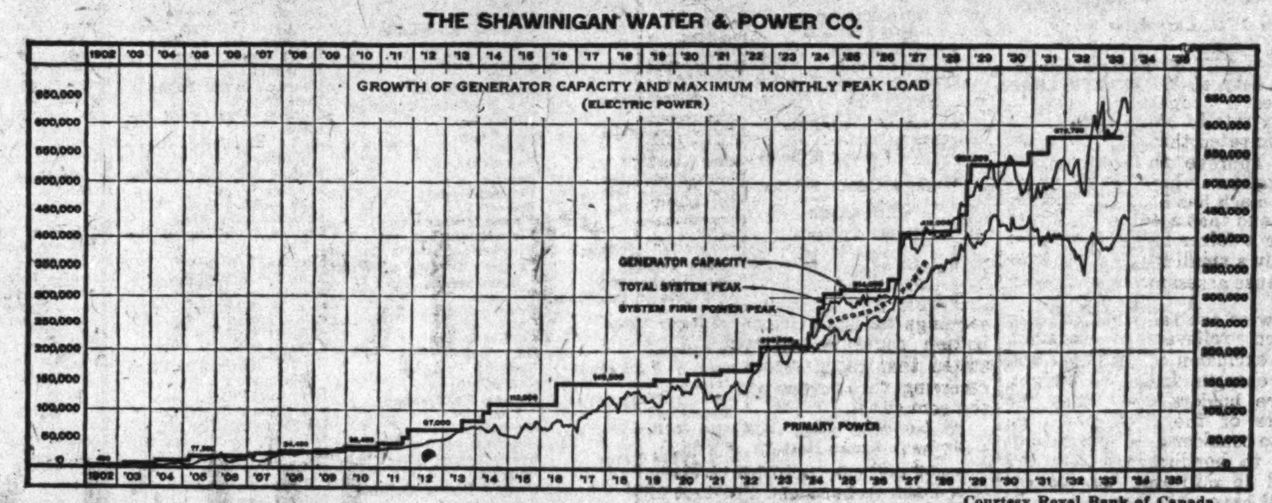
Who will direct the Toronto activities of the firm of Harley, Easton, Fisher & McDonagh. Other partners include Herbert S. Easton and W. Grant Fisher, who will conduct the London office.

Want Compulsory Grouping Of All Vegetable Producers

Closer co-operation of vegetable growers in maintaining prices is sought by the Ontario Vegetable Growers' Association is a resolution addressed to Hon. Robert Weir, federal minister of agriculture, passed recently at the annual meeting of the association.

Legislation is sought which would compel the minority group of growers to co-operate with the majority in production and marketing of their products. The resolution points out that this provision is embodied in the British Marketing Act as applied to vegetable and fruit producers.

Electric Boilers Provide Outlet for Reserve Power Installation



Courtesy Royal Bank of Canada

The remarkable growth in generator capacity of Canadian central electric station industry since the beginning of the present century is well illustrated by the above chart for the Shawinigan Water and Power Co., showing generator capacity, total system peak, system firm power peak and secondary power. It will be seen that the development of a market for secondary power is an important problem to the operators. Fortunately the electric steam boilers and other outlets have taken up this slack and enabled the central electric stations to carry a generator capacity sufficient to take care of the growing needs of industry.

Apple Exports Triple

Apple exports from the Annapolis Valley continue at about three times the volume of the previous season. The movement from the Valley to Halifax since the beginning of the season totals 1,309,246 barrels, as compared with 467,720 barrels for the same period last year.

Montreal Power Area Attracts Over 100 Plants

From Our Own Correspondent

MONTREAL.—New industries attracted to the territory of Montreal Light, Heat & Power Co., since April, 1930, now total 108. These plants provide employment for nearly 3,000 local workers and are equipped with an electrical load in excess of 14,000 h.p. These industries originated from many countries including United States, Great Britain, France, Germany, Italy, Holland, Bermuda and from the neighboring provinces.

Following is a list of industries that have been established in Montreal Power's territory, together with their country of origin and the number of workers employed.

Allied Arts Regd., 10, U.S.A.
Altofer Bros., 10, Granby, Que.
Autograph Toothbrush, 25, U.S.A.
Bona Pipe Company, 50, France.
Bon-Ami Manufacturing Company, 25, U.S.A.
Bovill and Hood Canada Ltd., 20, England
Bitumuls Co. Ltd., 50, Ontario.
British-Amer. Oil Co., 150, U.S.A.
Burroughs-Wellcome Co., 75, England.
Canada Wire and Cable Co., 100, Ontario.
Canadian Hatters Supply Co., 15, U.S.A.
Canadian Copper Refineries, 300.
Canadian Johns-Woods Manufacturing Co., 25, Toronto.
Campello Shank Company, 15, U.S.A.
Howard H. Clapp Co. Ltd., 10, U.S.A.
Coca-Cola Company, 100.
Dresden Novelty Co., 10, Germany.
Dominion Blade Manufacturing Co., 50, U.S.A.
Dominion Wood Pipe Co., 30, U.S.A.
Dyment Limited, 10, Ontario.
O. M. Edwards Co., 10, U.S.A.
Exide Battery Co., 20, U.S.A.
Ex-Lax Company, 10, U.S.A.
Fleischmann Co., 100, U.S.A.
Flintoke Roads, 30, U.S.A.
Norris Gold (Acton Vale), 30, Que.
Johnston S. T. Oil Burner, 10, U.S.A.
Kimball and Company, 10, U.S.A.
Lincoln Manufacturing Company, 32, U.S.A
Liquid Carbonate Co., 20, U.S.A.
Meisel, Geo. J., 15, U.S.A.
Minute Tapioca Co., 30, U.S.A.
McBee Binder Co., 10, U.S.A.
McKesson and Robbins Co., 100, U.S.A.
Mulomoline Limited, 10, U.S.A.
Perkins Tissue Mills, 25, U.S.A.
Polygraphic Regd., 10, U.S.A.
Prolac Limited, 50, U.S.A.
Richlite Manufacturing Co., 25, U.S.A.
Ritchie Cut Stone Co., 50, Ontario.
Rockbestos Products, 30, U.S.A.
Scutan Company, 20, U.S.A.
Selby Shoe Company, 100, U.S.A.
Service Station Equipment, 10, Ontario.
Sterling Lace Company, 20, Ontario.
Standard Sample Card Co., 10, U.S.A.
Silent Glow Oil Burner, 10, U.S.A.
Sorrento Macaroni, 50, Italy.
A. G. Snowden, 20, Scotland.
Swiss Chocolate Co., 25, U.S.A.
Truscan Steel Co., 75, Ontario.
White Motor Company, 15, U.S.A.
S. H. Wood, 10, Ontario.
Victor Hack Saw Manufacturing Co., 30, U.S.A.
Rokeach and Sons Inc., 15, U.S.A.
Royal Typewriter Co., 5, U.S.A.
Caramel Crispie Co. of Can., 25, U.S.A.
Concrete Steel Products, 20, Ont.
Lighting Appliance Co., 10, U.S.A.
Menley and James of Can. Ltd., 10, England.
Crystal Chemical Co. Inc., 15, U.S.A.
Expollo Corporation, 12, U.S.A.
Vicks Chemical Corp., 8, U.S.A.
Conduits Limited, 15, Ontario.
Joliette Knitting Mills, 20, Quebec.
Apex Electric Manufacturing Co., 20, U.S.A.
Duralith Canada Limited, 10, Que.
Paul Olmer & Company, 15, France.
Cons. Moulton Trimming Ltd., 16, U.S.A.
Ford Baking Co. Ltd., 6, U.S.A.
C. G. Buchanan Co. Inc., U.S.A.
Vickers Limited, England.
Manitowac Engineering Works, U.S.A.
Stewarts Cafeterias Inc., 70, U.S.A.
Muench-Kreuzer Candle Co., Inc., 15, U.S.A.
Empire Shoe Repair, 20, U.S.A.
Crown Coffee Shop, 10, Ontario.
Beacon Mfg. Company, 12, U.S.A.
Lido Liquid Coffee, 8, Quebec.
Main Steel Products, U.S.A.
Browning Crane and Shovel Co., U.S.A.
Automatic Signal Company, U.S.A.
Foxboro Company, U.S.A.
United Engr. and Foundry Corp., U.S.A.
Adams and Westlake, U.S.A.
Landers, Frary and Clarke, U.S.A.
Sterilastic Co. Canada Ltd., Quebec.
Pyle National Co., 15, U.S.A.
Zinc Oxide of Canada, 15, France.
S. Hubbard Can. Limited, 15, Eng.
Canadian Permag Prods., U.S.A.
Canadian Gas and Equipment, Ont.
A. J. Morse, U.S.A.
A. Broryn, 2, U.S.A.
DeKuyper Gin (Meagher Bros.) 50, Holland.
Halliwell Co. of Canada, U.S.A.
Dominion Lock Company, 14, U.S.A.
Ideal Upholstering Co., 75 Montreal.
Corega Chemical Company, U.S.A.
Montreal Rug Weavers, 6, U.S.A.
Magnuson Products Corp., U.S.A.
Chemicals Limited, 20, France.
Iere Laboratories, 4, Bermuda.
T. G. Bright (Que.) Ltd., 25, Ont.
Enfield Clock Co. of Eng., England.
Andreated Food Products, 15, U.S.A.
Ohio Chemical Co., 25, U.S.A.
C. Saladino and Sons, 50, U.S.A.

SASKATCHEWAN CUT $5,241,653 OFF '33 DEFICIT

Deficit of $578,637 Compared With $5,820,290 for 1932 Year

Saskatchewan's deficit for the 1932-33 year was $578,637, compared with $5,820,290 a year earlier, the recently released public accounts reveal. The improvement of $5,241,653 was effected by increasing revenues $2,932,241 through heavier taxation, and by cutting expenditures $2,309,412.

Expenditures and receipts, compared with those for preceding years, were as follows:

Saskatchewan's Budgeting—Years Ended April 30

	Expenditure $ 000's	Revenue $ 000's	Deficit $ 000's
1933	15,414	14,835	579
1932	17,723	11,903	5,820
1931	18,203	14,346	3,857
1930	17,080	16,562	518
1929	15,363	15,463	*100
1928	12,925	12,999	*74
1927	12,465	12,563	*98
1926	12,761	12,828	*67

*Surplus.

Relief expenditures of $8,536,303 are not included in the ordinary budget. This compares with a figure of $10,419,978 in the 1932 year.

Increased Revenues

Chief increases in revenue were recorded in taxes on 1931 incomes, on companies' licenses, automobiles and gasoline, and public revenue tax. The special tax on 1931 incomes brought in $403,857, and gasoline tax revenue was up $184,007; automobile tax, $509,309; companies' licenses, $654,340; and public revenue tax, $368,023.

Comparison of some items among expenditures with 1932 and 1926 figures follow:

Comparison Saskatchewan Expenditures Years Ended April 30

Dept.	1933 $ 000's	1932 $ 000's	1926 $ 000's
Attorney Gen.	841	1,084	1,017
Public Works	1,070	1,178	1,311
Education	2,889	4,279	3,797
Agriculture	321	460	391
Health	1,093	1,174	601
Debt interest	4,165	3,810	2,128
Old Age Pensions	499	557	...

Substantial decreases in 1933 outlays compared with 1932 expenditures were recorded by most departments. From the above table, however, it is clear that while most departments were spending less in the 1933 fiscal year than they did in 1932 or 1926, certain forms of expenditure were well above the 1926 figure, as was the total ordinary expenditure.

We Suggest
Province of Alberta
6% Sinking Fund Debentures
Due March 1st, 1947
Price: 100 and interest, to yield 6%

Confidence in Province of Alberta bonds has been strengthened by the recent improvement in economic conditions and by the attitude of co-operation adopted by the Dominion and Provinces at the Conference of Premiers at Ottawa.

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An 8% Yield

Champlain Oil Products Limited is excellently situated to participate in the benefits to the gasoline and oil industry which must accrue from improved business conditions.

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We recommend
Champlain Oil Products
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IMPERIAL INDUSTRIAL LUBRICANTS

News of Investment Markets

COMPANY BONDS RISE IN ACTIVITY ON WIDE SCALE

Seen as Significant Prerequisite Economic Recovery

Corporation bonds took the spotlight in Canadian markets in the week ended Feb. 6, heavy gains being added to the preceding week's rise. Advances in paper company liens were marked, running up to as much as six points in speculative issues.

Bonds of construction industries and those dependent on recovery of capital goods activity were notably higher. Apparently contra-seasonal improvement in construction and return of public confidence were the major factors influencing this trend. Issues of companies dependent on agriculture, such as Massey-Harris, Maple Leaf and Federal Grain made some of the most prominent advances.

The demonstration of strength for corporation issues was the best in many months. Gains of fractions to four points were everywhere in the list. A listing of some active issues that gained four points or more follows:

Gains by Active Corporation Bonds

	Bid Prices Feb. 6	Bid Prices Jan. 30	Gain
*Abitibi 5's, '53	34½	29½	5
Can. Cement 5½'s, '47	92	88	4
C. P. R. 4½'s, '44	88½	82½	6
Can Vickers 6's, '47	58	51	7
Dom. Tar 6's, '49	78	71	7
*Donnacona 5½'s, '48	43	37	6
Federal Grain 6's, '49	71	66	5
*Fraser Cos. 6's, '50	42	37	5
Gen. Steel W. 6's, '52	75	70	5
Gypsum, Lime 5½'s, '48	70	65½	4½
Howard Smith 5½'s, '53	90	85	5
L. St. John 6½'s, '47	50	44	6
Maple Leaf 5½'s, '49	45	39	6
Massey-H 5's, '47	78	72	6
*Price Bros. 6's, '43	85	76	9
Utilities			
Duke-Price 6's, '66	90	86	4
Gatineau 5's, '56	86½	82½	4
Man. Power 5½'s, '51	51	45	6

Significance Important

Significance of this rise of secondary securities is taken by some students to be that money is beginning to flow into commercial and industrial financing; and that it may be the forerunner of more active lending for private mortgages. This would tend to revive construction and construction industries, economists have indicated, and is considered to be a prerequisite of economic recovery.

Western provincial bonds also added substantial gains to their recent recovery from last autumn's lows. The significance of Mr. Bennett's intimation that he would not allow a province to default is being brought to the attention of investors. Gains in the week for western issues were from 1½ to three points, the advance being on the broadest scale since last summer. Bonds of all four western provinces participated in the rise.

Gilt-Edged Bonds

The gilt-edged bond market sagged slightly, and activity declined, with the increase in prices and volume in corporation bond trading. The trend of interest rates on gilt-edged bonds is shown below:

Average Yield on Seven High-Grade Canadian Bonds

	%		%
Feb. 6	4.434	Jan. 31	4.427
Feb. 5	4.431	Jan. 30	4.427
Feb. 3	4.430	Jan. 29	4.406
Feb. 2	4.430	Jan. 22	4.430
Feb. 1	4.427	Jan. 15	4.444

"Will Serve Faithfully and Well"

FEBRUARY TH 5 1934 TO ALL MEMBERS OF THE TORONTO STOCK EXCHANGE.

WITH THIS OPENING OF THE AMALGAMATED EXCHANGE WE ENTER A NEW PHASE OF CANADIAN SECURITY TRADING. MARKETING THE LEADING MINING AND INDUSTRIAL SECURITIES OF CANADA WE FIND OURSELVES TODAY A UNITED BODY FULLY EQUIPPED AND READY TO DISCHARGE OUR OBLIGATIONS TO THE PUBLIC. LET US ASSURE THEM THAT WE WILL AT ALL TIMES SERVE THEM FAITHFULLY AND WELL.

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Reproduced above is the first message sent over the ticker system of the new Toronto Stock Exchange into which the Standard Stock and Mining Exchange, Toronto, and the former Toronto Stock Exchange have been merged.

DEFICITS BULK BIG IN SASKATCHEWAN

Since 1930 All Revenues Fell $18,439,805 Short of Expenditures

From Our Own Correspondent

REGINA.—Extent to which revenues failed to cover expenditures of the Saskatchewan government during the three years to April 30, 1933, is shown as follows:

Expenditures	$97,478,629
Revenues	41,083,544
Shortage	56,395,085

Expenditures for relief, provided by the federal government, were $24,205,280. Added to this is the wheat pool guarantee of $13,750,000. Combined, these expenses total $37,955,280, leaving a deficit of $18,439,805 above all income, ordinary and extraordinary. Because of crop failures the province has been the most heavily burdened with relief costs of any in Canada.

The three year period added $47,022,986 to the public debt. On April 30, 1930, it stood at $93,016,747 and on April 30, 1933, it was $140,019,733. This is expected to increase further in 1934.

Unless some move toward refunding public debts occurs there will be very little relief for the Saskatchewan taxpayer so far as interest costs are concerned, for many years to come. Provincial services have taken up considerable of revenue. The power commission which has obtained more than $5,000,000 has persistently shown a deficit and will more than likely show a larger deficit than the $50,000 of 1931-32.

Bond Quotations and Trading Service

We invite enquiries for quotations, bids and offerings on Canadian Government, Municipal and Corporation issues dealt in in Canada, New York or London.

The facilities of our Trading Department, including private wire connection between Montreal, Toronto and New York, enable us to furnish prompt and reliable service.

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The Victoria Trust and Savings Company

Thirty-Eighth Annual Meeting

The Directors of the Company have pleasure in submitting herewith the thirty-eighth annual report, for the year ending December 31st, 1933, duly audited.

The net earnings for the year after deducting interest paid, cost of management, taxes, etc., amounted to $73,553.94. Adding to this the balance in Profit and Loss Account gives a total for distribution of $77,320.74. Out of this amount $64,800.00 has been paid in dividends, $9,000.00 reserved for Federal taxes and the balance of $3,520.74 carried forward.

The assets of the Company have shown a growth of $37,000, during the year, and while net profits as expected are reduced, they are ample to meet dividend requirements. I wish to make it clear that we have a very considerable additional interest earning for which we have not taken credit in this year's statement, and as this is collected due to improvement in general conditions which we all anticipate, the result will be a substantial amount for reserve and distribution to shareholders.

The markets for produce, on which so much depends, have shown a considerable improvement in recent months and unemployment figures are also moderately lower so that we are justified in assuming that the long delayed change for the better has actually materialized and we may reasonably expect that this improvement will be both steady and permanent.

We are gratified at the continued growth of our Estates Department and heartily recommend its services to our shareholders in the disposition of their estates and trusts.

The duties of our Officials and Staff continue to be discharged in a highly satisfactory manner.

All of which is respectfully submitted,

WILLIAM FLAVELLE, *President.*

DIRECTORS
W. Flavelle, *President.* H. J. Lytle, *First Vice-President*
T. H. Stinson, K.C., M.P., *Second Vice-President*
J. B. Begg, W. Walden, H. J. McLaughlin, K.C.,
Canon C. H. Marsh,
C. E. Weeks, *Managing Director*

Add $2,370,000 To Loans to West Now $45,528,000

From Our Own Correspondent

OTTAWA. — Announcement of four new loans to the western provinces in the past week brings the sum total of Dominion loans to the west to $45,528,000.

The four recent loans are:

January 23: $500,000 to British Columbia for interest charges.

January 25: $1,000,000 to Saskatchewan for the Saskatchewan Relief Commission.

January 25: $500,000 to Saskatchewan for unemployment relief.

January 25: $370,000 to Manitoba for direct relief.

In addition several loans made a year ago have been renewed for another year.

SUGGEST 40 MILL WINDSOR TAX RATE TO AID CREDITORS

Expect Council to Pass 35 Mill Rate — Claim Too Much Leniency

Board of supervisors for the defaulting City of Windsor has recommended a budget of $1,734,510 and a tax rate of 35 mills for 1934. It is anticipated that the city council will approve this suggestion. Some creditors, however, suggest that too much has been conceded to the city and that a 40 mill tax rate would be a fairer basis, and would mean only a small increase in taxation because assessments have been reduced.

In view of the fact that the city has been relieved of taxation through exclusion of principal and interest charges from the budget, debenture holders state that the taxpayers of the city should be willing to consider a 40 mill rate in fairness to bondholders. On the proposed 35 mill rate, tax collections will have to be better than in 1933 before a payment of interest on bonds is likely, it is understood.

If 60 per cent of 1934 taxes are collected on the proposed 35 mills rate, only a small payment of interest on bonds may be possible; and it is far from certain, it is stated.

Collection Possibilities

Windsor's assessment is just over $80,000,000. A 35 mill rate would, therefore, mean a levy of $2,800,000. Collection of 60 per cent would mean receipts of $1,680,000. In addition, some $550,000 of other revenue is expected, making a total of $2,230,000. Deducting the proposed budget outlays of $1,734,510, the amount left for bondholders would be $495,490, or less than 2½ per cent on the $20,000,000 of funded debt. If nothing were then paid on the $6 millions of city bonds held by municipal bodies, it might be possible that three per cent could be paid on bonds held by investors.

The supervisors, it is understood, have been trying to gauge the ability of Windsor taxpayers to pay. It is hoped that increased activity in the border cities area, particularly in the motor industry, will improve tax collections to the 60 per cent estimate. Judging from 1933 collections, however, the 1934 estimate may be optimistic.

1933 Collections

Collections in 1933 were less than 53 per cent of the year's levy. Of 1932 taxes, 67.38 per cent had been collected by the end of January, 1934. The city's total tax arrears amount to $3,662,926, of which $1,203,441 is for 1933 and $1,276,551 for 1932. Arrears for 1932 and earlier years have been assigned to the city's bankers. A statement of the city's position at the end of 1933 has been released by the bondholders' protective committee.

British American Oil Buys Coutts Refinery

British American Oil Co., in the course of its policy of establishing small producing units throughout Western Canada, has bought the oil refinery at Coutts, Alta., of the Northwest Stellarene Co., Shelby, Montana.

The British American Oil Co. will enlarge the plant which has a capacity of 1,500 barels daily. The distribution system of the company will be taken over as well. The announcement was made by James W. Johnson, vice-president and general manager of the Northwest Stellarene Co.

Can. Inter. Paper Put More Men on Payroll

From Our Own Correspondent

MONTREAL. — Canadian International Paper Co. report the employment of between 12,000 and 15,000 men in bush operations in Eastern Canada, while in the Gatineau area alone there has been an increase of between 60 and 70 per cent in the number of workers engaged. At this time last year the company did not have more than one-third the number of men in the bush they had at present.

It is expected that the company would cut this winter about 80,000,000 feet of logs in the Gatineau area and about the same quantity along the upper Ottawa. Last year not more than 15,000,000 feet was cut in the Gatineau area.

Many Uses for Rabbit Skins

Rabbit skins have advanced greatly in use. There were 2,737,000 treated in 1932; this was double the number two years before and was higher than any other, muskrat coming next with 2,517,000. Mole skins have taken a big drop, coming down from 1,427,000 to 254,000 in two years.

Investment Notes

Significant Investors' Index Numbers

1926 — 100

No. of Securities:	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 113
1929-33:*										
High	333.8	118.2	267.4	416.8	110.1	193.8	201.4	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	27.3	44.0	30.5	38.6
Monthly Figures, 1933:										
January	50.8	4.0	42.0	95.7	38.1	84.4	35.1	60.7	45.9	51.9
February	46.1	5.0	41.0	89.5	35.4	82.4	34.2	58.0	40.4	48.1
March	46.6	3.2	39.1	89.8	34.0	80.8	37.9	59.1	39.9	48.2
April	50.6	3.8	45.9	101.7	32.9	87.8	39.9	69.7	40.4	53.9
May	68.2	5.5	63.1	127.0	48.2	106.2	66.8	88.6	49.5	67.1
June	86.5	9.3	72.9	146.9	58.4	121.8	112.4	107.1	56.4	79.0
July	102.3	12.3	82.1	162.5	68.4	143.3	173.7	122.3	61.5	88.4
August	95.2	11.2	71.3	153.2	62.5	130.8	160.9	117.2	56.8	83.6
September	88.6	10.8	75.8	156.1	65.2	124.9	168.6	119.4	53.5	83.5
October	75.7	8.9	73.6	138.6	61.6	115.1	134.8	108.6	48.5	74.5
November	78.6	8.5	72.9	155.7	60.8	118.1	135.1	113.4	47.8	78.8
December	79.3	7.8	68.4	143.9	58.6	117.1	148.5	111.4	47.8	77.5
Weekly Figures, 1934:										
Jan. 4	82.8	7.6	74.0	144.4	60.4	122.0	188.8	115.4	48.7	82.8
Jan. 11	87.4	10.0	76.0	149.4	63.7	125.2	193.3	118.6	52.4	86.2
Jan. 18	95.2	10.8	75.8	141.8	64.3	129.2	195.5	118.8	55.1	87.7
Jan. 25	98.9	11.3	74.7	146.3	66.3	129.3	189.6	120.8	55.7	89.6
Feb. 1	106.8	11.8	75.4	153.6	68.5	131.3	186.7	124.4	56.7	92.1

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. In 1933 index numbers are given monthly for the twelve months and then weekly. Compiled from figures issued by Dominion Bureau of Statistics. See also Stock Market Indicator on page one.

EXCELLENT business experienced by Fanny Farmer Candy Shops Inc. during the Christmas season has had the effect of materially improving the company's earnings for 1933 and the annual report will prove good reading for shareholders it is anticipated. The report will be available some 10 days before the annual meeting which will be held this year on March 8. Earnings for 1933 will exceed earnings reported in both 1932 and 1931 but will hardly equal the $2.46 per share earned on the common shares in 1930. Preferred dividends will be earned approximately six times.

As in previous years preferred stock has been redeemed by purchase in the open market. From 1926 to 1932, the preferred shares outstanding were reduced from 30,000 shares to 15,375 shares and the position of the common stock was thereby improved. During 1933 some common shares were also purchased by the company. Liquid position of the company has been improved and it is understood that practically no money was lost through bank failures in the United States where the company operates some 148 stores.

GT. LAKES PAPER LIQUID POSITION SHOWS STRENGTH

Committee is Considering Reorganization — No Plan Yet

Great Lakes Paper Co. has more than covered operating charges during the period of receivership which was instituted July 13, 1931, according to a report submitted to holders of the $10,000,000 of first mortgage bonds by the Bondholders' Committee. While the possibility of reorganization has been discussed this has not been entirely practical up to the present time because the trust deed securing the bonds makes no provision for bondholders approving of reorganization by a vote of any given majority and the condition of the newsprint industry has not been sufficiently stable to determine the earnings basis on which reorganization could be effected. It is stated that reorganization is now receiving the serious attention of the committee.

At November 30, 1933, the company had current assets of $1,520,678 and current liabilities of $446,201. Cash on hand and Province of Ontario bonds totalled $370,000; inventories are carried at $696,466; customers' accounts and sundry receivables are $153,341; account receivable with receivers of Minnesota & Ontario Paper Co., amounts to $165,489 and advances on woods operations, $104,000.

Operates at Profit

Earnings of the company are not shown by fiscal periods and comparison of the year ended June 30, 1933, is not possible with the preceding year on account of numerous adjustments. From July 13, 1931, to June 30, 1933, gross profit was $316,224, while interest earned and exchange premiums on U. S. funds totalled $377,415. After deducting general and administrative expenses of $204,045, reserve for contingencies of $93,614 and taxes of $85,563, there remained a gross profit of $310,417 before provision for interest and depreciation. In the five months ended November 30, 1933, gross profit was $73,948.

No revaluation of the assets of the company has been made. The receiver and manager, National Trust Co., reports the plant to be in good condition and that capital expenditures of $186,833 have been made during the period of receivership. Current price received for newsprint is still most unsatisfactory, but it is believed that through the N. R. A. newsprint code that further violent fluctuations of prices may be prevented and the industry stabilized to some extent.

LOBLAW SALES MAKE NEW HIGH FOR YEAR

In 32 Weeks, Show Slight Gain Over Previous Year; Profit Still Down

For the second consecutive four-week period sales of Loblaw Groceterias Ltd. show gains not only over sales of the preceding period but over sales in the corresponding period of the previous year. Results obtained in the four-week period ended January 13 bring sales for the 32 weeks ended January 13, 1934, to $8,726,376, or approximately $21,000 better than in the same period of 1932-33. Profits, however, still remain under the amount shown last year.

Sales in the period ended January 13 were $1,275,195, increase of 5.62 per cent over sales in the same period of 1933. Profit at $90,023 is the best to be reported for any period in the current fiscal year but is 1.62 per cent under that of the same period in 1933. Included in the business for this period is a good part of the Christmas trade.

Profit in the 32 weeks ended January 13, 1934, is reported at $468,439, 12.14 per cent under the $533,170 profit reported in the same period of 1932-33.

Dominion Stores Sales Maintained in January

Sales by Dominion Stores Ltd. in the first period of the current fiscal year are reported at $1,373,111, or only 1.8 per cent under sales in the same period of 1933. Chain grocery sales tend to reach a seasonal low during January and sales reported for the four weeks ended January 27 are no exception. The decline from the volume of sales in the same period of the preceding year is considerably less than was experienced in any period during 1933, however.

Sales during 1933 totalled $19,758,368 according to monthly statements although this figure is subject to some correction with the issue of the annual report later in February. Sales in 1933 were some 12.59 per cent un-

Big Missouri Work Proceeds on Schedule

G. H. Rainville, president of the Quebec Gold Mining Corp. which holds a substantial interest in Big Missouri Mines Corp., states in a letter to shareholders that work on the British Columbia properties of Big Missouri Mines Corp., which was resumed last October, is proceeding according to plan. This work is under the supervision of W. M. Archibald, vice-president of the Consolidated Mining & Smelting Co. of Canada, Ltd.

The Province Tunnel is being extended north and south in the main ore zone, and the north drive is entering a wide intersection of ore with the south drive in the main ore zone heading toward a similar intersection. As the south drive has considerable distance to go before reaching its objective, it may be some time before definite word is received.

Work has also been resumed at the Missouri-Monarch property in Nevada. At the present time a new section of ore is being opened up for the purpose of resuming shipments.

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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Moncton, N.B.	Feb. 2	Royal Securities Corp.	5%	20-yr.	$125,000	99.17	5.07
North Syndey, N.S.	Feb.	Locally	5½%	.....	50,000	92.50	...
Trafalgar Twp.	Feb. 5	C. H. Burgess & Co.	5½% 5½%	30-ins. 10-yr. ser.	15,925 1,500	100.00	

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered by	Rate	Class	Amount	Price	Yield
Montgomery-Ackerman Gold Mines	Feb.	T. H. McWhirter Co., Racine & Co., Colling & Colling, Rittenhouse, Hamilton & Co.	....	....	250,000 shs.	25c.	...

FORD V·8 TRUCK PRICES REDUCED

New lower first cost has now been added to low cost of operation and low cost of maintenance

Now for the first time an 8-cylinder, 75-horsepower truck is available for as little as $660. The Ford V-8. The truck that has proved itself in actual service—proved its power, speed, stamina and economy.

Economy of operation and up-keep is one of the outstanding features of the Ford V-8 engine. Most "8's" have been big engines, designed for use in heavy, expensive units. But the Ford V-8—compact, simple, easily and inexpensively serviced—has shown that high power can be had at very small cost. The carefully kept records of owners establish remarkably low figures not only for gasoline and oil consumption but for service and repairs. It is the most economical Ford engine ever built.

The new low prices add another important economy factor. Today, more than ever, the Ford V-8 is the logical truck to help your business show a profit. The nearest Ford dealer is ready to help you select the Ford unit best suited to your business.

Truck price reductions range up to $54
Commercial Car reductions up to $30

V·8 Truck—131½-inch Wheelbase
NEW LOW PRICE
CHASSIS . . . . $ 660
HEAVY DUTY DUMP CHASSIS . 692
DE LUXE PANEL 1,015

V·8 Truck—157-inch Wheelbase
NEW LOW PRICE
CHASSIS . . . . $ 690
STD. PANEL 1,130
BUS (21 passenger) *2,796
*Price includes bumper and spare tire

V·8 Commercial Car—112-inch Wheelbase
NEW LOW PRICE
CHASSIS $450
LIGHT DELIVERY 610
DE LUXE PANEL 745
SEDAN DELIVERY 740
(Prices f.o.b. East Windsor, Ontario. *Spare tire, bumpers and taxes extra)

Operation and maintenance costs reduced by New Ford V-8 motor exchange policy

The remarkable new economy plan of the Ford Motor Company of Canada, Limited, now enables operators of Ford trucks and commercial cars to exchange their cylinder assemblies for units reconditioned at the Ford factory in East Windsor. The rebuilt assembly as installed by Ford dealers has passed a careful factory inspection, the reconditioning being done by the same men, machines, and methods that were used to manufacture the original assembly. Many new parts, as well as many of the recent improvements, such as the valve seat inserts, are also included.

Better than the "overhaul" that formerly tied up a truck for days, the Ford exchange requires only a few hours. This effects a big saving in time as well as money.

Figures show what this unparalleled Ford exchange service means in dollars and cents. For example, if the operator of a Ford V-8 truck decides to take advantage of the service after his truck has traveled 40,000 miles, the cost of $75 (plus small freight charge) gives a per mile average depreciation of only 3/16 of one cent!

FORD MOTOR COMPANY OF CANADA, LIMITED

Ford

The Financial Post

Member Audit Bureau of Circulations

Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post Has the Largest Paid Circulation of Any Canadian Financial Paper.

The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. inspection.

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TORONTO, FEBRUARY 10, 1934

BENNETT WARNS AGAINST EXTRAVAGANT SPENDING

IN HIS four-hour address to the House of Commons, the Prime Minister reiterated some previous assurances that he had given regarding the protection of the national credit. His remarks, to the extent that they are studied abroad, will have a useful effect in maintaining confidence in this country and to the extent that they are pursued in actual Government policy, will be of considerable long term benefit.

The Prime Minister's assurance that no forced conversion loan would be forthcoming was followed by a frank admission that Canada could not, and therefore would not spend millions of dollars on unlimited public works and other measures to speed recovery. The Prime Minister indicated that Canada's debt was nearly $3,000,000,000, in addition to the railway debt of nearly $1,000,000,000. And as for copying the United States, he pointed out that when the United States had exhausted her programme to the extent of $20,000,000,000 more it would not have a debt per capita as large as that of Canada.

LETTING SHAREHOLDERS KNOW WHAT'S GOING ON

A SHORT time ago The Financial Post published an important item of news regarding a large Canadian industrial company. Before publishing it, however, The Post communicated with the president of the company concerned to get confirmation. Instead of confirmation the reporter got a rather peremptory demand that the news be not published. The comment of the president was that if there was any news to give the shareholders, it would be given to them in the annual statement. Of course, The Post published the news (which it had from a reliable source) and thus the shareholders across the country were given information vital to their interests which should have been given to them by the company itself, either in the form of a letter from the president or in a statement to the press. It was news of such a character that the shareholders were entitled to it as much as the directors.

In another case, a number of shareholders in an important company complained about the financial policy of their directors and made very serious allegations against the executives. The Financial Post gave the executives an opportunity to answer these allegations, which they did quite candidly and at some length. But they spoiled the whole effect of their frankness by insisting that none of the information they had given be made public. In other words, they were extremely anxious to satisfy The Financial Post as to the soundness of their policy but they did not care two figs about what the shareholders thought.

What a contrast there is in such methods and those of some other executives. A notable example of an industrial executive who takes his shareholders into his confidence is C. H. Carlisle, Toronto. During his presidency of Goodyear Tire & Rubber Goods Co. and since, that company has issued frequent statements to shareholders, always accompanying quarterly dividend cheques with a frank heart to heart talk about how things are doing.

Recently Mr. Carlisle took over the presidency of Canada Bread Co. He has addressed to the shareholders a letter setting forth the position of the company, admitting some of the serious mistakes that have been made, arousing no false hopes but at the same time setting the worst of their fears at rest. No hysterical fear of what competitors may do with the information has entered into Mr. Carlisle's calculations. He has given to the shareholders the facts to which they were entitled and which they should have had long ago.

Mr. Carlisle has recently taken on the presidency of the Dominion Bank. Our banks more than any other class of institution in this country have a great deal to learn about the art of candid communication with the public and perhaps Mr. Carlisle will startle the banking fraternity in general by letting the public in behind the scenes on occasions.

HERE'S YOUR LETTER

A VALUED subscriber of The Financial Post writes to us as follows:

"Your paper is controled by your advertisers viz banks, insurance companies and the like.

"Your paper is afraid to say a word about the big interests that rule Canada.

"Your more fore finding fault with R. B. Bennett the Wheat Pool etc.

"We have taken your paper for years and you havnt the 'guts' to print the above in your paper"

Yours truly
The Magrath Trading Co. Ltd.,
J. Alfred Pine, mgr.

The Magrath Trading Co. is a substantial business concern in Southern Alberta. It has been in business many years and rates well with the credit agencies.

It doesn't take much courage to print the letter although it is a little difficult to find anything constructive or definite in it. It merely charges The Financial Post with being under the control or dominance of the "big interests who rule Canada."

We have never been able to find any evidence that any small or well integrated group of interests rule Canada. Canada remains one of the last strongholds of Democracy and the voices of the worker and of the farmer ring loudly in the councils of the nation.

Our readers generally know that it is utter rot to charge The Post with being dominated by anyone. The Financial Post is a public service institution and entirely independent. It does not hesitate when occasion demands to criticize anyone with whose policies it disagrees, be it a politician, a merchandising giant, a financial chieftain, an industrial leader or a mere social theorist.

The best proof of its independence is probably that from time to time it is charged with being unduly friendly or unduly antagonistic with each of the interests mentioned above.

GOLD STANDARD IS COMING BACK

PRACTICALLY all of the important steps that are being taken in regard to monetary matters anywhere in the world today represent definite moves in the direction of restoration of the gold standard. The interim revaluation of the United States dollar effected by proclamation of President Roosevelt brings the United States very close to the gold standard again. The United States has not yet a free gold market but the new policy can easily be operated with many of the attributes of the gold standard.

The new gold standard which is rapidly approaching will differ in some technical aspects from the old gold standard. But it will retain many basic and important factors that no doubt will disappoint those monetary theorists who have been proclaiming so vigorously that the world has been crucified on a cross of gold.

It may be theoretically foolish to have the world's credit and financial structure based upon a single commodity but in the long run it has proven and is proving better to have it thus than to tie our currency system to anything so volatile and changeable as the whims of the politicians.

MACDONALD SQUELCHED

LAST summer, The Financial Post reported from London that Premier Ramsay MacDonald had become very much of a figurehead in the British Cabinet; that the power behind the throne was Chancellor of the Exchequer Neville Chamberlain.

Proof was given the other day. In a speech, Mr. MacDonald called impatiently for the stabilization of currency.

The next day a spokesman for Chancellor Chamberlain (probably Chamberlain himself), told newspaper men that the Prime Minister had been talking through his hat. He said, "International tinkering with exchange in the present state of uncertainty concerning American finance would be useless."

Nevertheless, what MacDonald said is just what British business men are thinking.

ROOSEVELT MOVES QUICKLY

THIS is a fast moving world. On January 15, President Roosevelt issued a statement in which he said: "Because of world uncertainties I do not believe it desirable in the public interest that an exact value (for the American dollar) be now fixed."

Within two weeks he had fixed the number of grains in the gold dollar so as to make it worth, in comparison with the previous legal unit of value, slightly over 59 cents.

Of course, nothing happened during that two weeks to cause the president to change his mind. It was always his intention to fix a new interim gold value for the dollar at the earliest possible date, and he will change it just as quickly if he thinks fit.

ALL THINGS TO ALL MEN

THE attempt of the Co-operative Commonwealth Federation to be all things to all men has got it into a lot of trouble. Various units of the C. C. F. throughout Canada are now spending a lot of time on the problem of modifying or interpreting the C. C. F. manifesto so as to make some of the planks seem more innocuous.

The United Farmers of Alberta supported the C. C. F. programme. Two years ago they took a stand in favor of the social ownership and control of "all the social means of production and distribution including land." But the other day the convention threw out the last two words and substituted for them "including all unalienated land and land that may revert from time to time to the Crown."

Thus Socialism is not to be applied to farmers who now own property or any one to whom they may sell their property.

It is always thus. Radical organizations spring into existence, draw up lengthy manifestos, which provide for the complete reform of the world's economic and social systems, enthusiastic youths start out on the hustings to promote the doctrines so skillfully drawn up, and then the process of backing water begins. Step by step the programme is modified and finally there is nothing left for the new third party to do but join up with and disappear in one of the older parties.

It has happened before in Canada and it is beginning to happen again with the C. C. F.

NO SHORTAGE OF GOLD

IT IS SCARCELY three years since economists the world over were very much worried about the supposed shortage of gold. There were some observers who went so far as to blame the whole world crisis upon the fact that there was not enough gold to go around. They said that the increasing scarcity of gold was exerting a distinctly bear influence on prices and therefore a depressing effect upon business generally.

Today there seems to be no likelihood of recovery being delayed because of any shortage in gold. In most countries gold has disappeared as a medium of circulation and has become merely the backing for currency. Huge new stocks of gold have come from Canadian and other gold mines and India has disgorged the precious metal at a rapid rate, selling from its private stocks more than $400,000,000 of gold (at the old parity).

It is now practically assured that when different countries return to the gold standard they will return at lower parities, so that the real value of the world monetary gold stocks will be much higher than at present, probably 50 per cent higher or more.

With a return of confidence, gold that is now in hoarding in France, England, the United States and other countries will likely be exchanged by its holders for investments.

The current monthly review of the Midlands Bank goes so far as to discuss the possibility of gold being dumped at a rate more rapid than the world will be able to absorb it. Thus, failing special measures to prevent it, there might be an actual gold inflation, if and after a general return to gold takes place.

Such a situation, if it developed, would probably be less satisfactory to the gold mining companies than the present situation.

CAN ALBERTA AFFORD HEALTH INSURANCE?

THE province of Alberta plans a state health insurance scheme apparently to be put into effect by degrees. Some $10,000,000 would be involved and the cost would be borne two-ninths by the state, two-ninths by employers and five-ninths by the insured, except in rural areas where the proportions would be different.

No matter what theoretical sociological benefit there may be in a state health insurance scheme, Alberta cannot afford it now. The province is in debt to the Dominion government and will be further in debt before there will be a free and ready market for its bonds among private investors. The municipalities and private individuals have large debts to be paid off before assuming new liabilities.

Alberta should concern itself now with the job of establishing its credit beyond any question of doubt and it can do that best by abolishing some of the forms of expenditure it now indulges in, not by adding new ones.

EDITORIAL NOTES

"How will we know when the depression is finally over?" When thrift is no longer a sin.

* * *

If the dollar and the pound sterling are again stabilized at $4.8665 it will be considered an unfriendly act by all future generations of school children.

* * *

With all the Ottawa correspondents figuring out how much currency we can issue if we revalue gold, Canada is being treated to a new kind of money—pencil and paper money.

Post-Scripts

THE first All-British picture theatre in the Empire was established in Melbourne, Australia. So rapidly and successfully has the movement progressed that the third All-British house in Melbourne—the Mayfair—has been opened for the exclusive presentation of films from the Gaumont-British, Gainsborough and other British studios.

There is a general feeling in Australia that the presentation of All-British picture programmes must result in a strengthening of Empire ties and sentiment. This feeling was expressed in the speeches made by the Premier of Victoria, the Hon. Sir Stanley Argyle, and His Majesty's Trade Commissioner for Victoria and South Australia, H. L. Setchell, when the Mayfair Theatre was officially opened by the Premier recently. Since then many favorable comments have been made on the decision to add this theatre to the All-British chain of cinemas in Australia, for it is considered that the extension of the All-British theatre movement during the past two years is a very gratifying indication of public appreciation of pictures now going out from England.

* * *

LAST week the Robert Simpson Company, Toronto, one of Canada's largest departmental store organizations, set a world record by publishing eighteen newspaper pages of advertising in each of Toronto's two evening papers to announce an advance spring shopping party.

Somewhat teasingly, the company announced that "February 1 marks two important anniversaries within the Simpson store family and while these birthdays might not be of special interest to the public they mean so much to us that we are inviting the whole town to a gigantic shopping party to celebrate the occasion."

We can tell our readers what these anniversaries were. It was just 22 years ago on February 1 that C. L. Burton, president of the company, joined the Simpson organization.

Mr. Burton had been in the wholesale dry goods business up to February 1, 1912. H. H. Fudger, then head of Simpsons, asked him to come over as a sort of assistant general manager. For many months, Mr. Burton did not have a title. He didn't have an office and he didn't have a secretary. He just helped run the business and eventually became general manager and finally president.

What was the second anniversary? It was on February 1, 1898, that H. H. Fudger, J. W. Flavelle and A. E. Ames bought the Robert Simpson Company from the executors of the estate of Mr. Simpson, who had died about two years before. They paid $405,000. It is said that each of them had to borrow the major portion of the $135,000 he put up in the transaction. The estate got $360,000 out of the deal. The balance went to the clever intermediary who negotiated the transaction.

Mr. Fudger ran the business for many years and builded well on the solid foundations laid by Robert Simpson. He died a few years ago. Mr. Flavelle went on to become one of Canada's great financial and industrial chieftains. This week Prime Minister Bennett, speaking in Toronto, singled out Sir Joseph Flavelle for an individual tribute as a great Canadian citizen. Mr. Ames today heads one of Canada's most prominent stock exchange partnerships and one of its chief investment banking houses.

What would Messrs. Fudger, Flavelle and Ames have thought in 1898 if someone had told them that in a generation their firm would become one of the two largest (maybe the largest) users of local newspaper advertising in the whole world.

Sayings of the Week

"The present craze for blondeness is to be deplored."—*Adolf Hitler.*

* * *

"The mind demands from time to time, a bath of forgetfulness."—*André Maurois.*

* * *

"My son was never a big fat baby."—*Mrs. James Roosevelt, mother of President Roosevelt.*

* * *

"The very essence of despotism is that it can never afford to fail."—*Walter Lippmann.*

* * *

"There is no half-way house for Britain between greatness and ruin."—*Rt. Hon. Winston Churchill.*

* * *

"The League of Nations is too parliamentary and therefore it is a futile body."—*George Bernard Shaw.*

* * *

"I see nothing in Mr. Roosevelt's policy that which need be disturbing to business confidence."—*John Maynard Keynes.*

* * *

"Youth knows the war is dangerous, but youth, yearning for adventure, does not know that war is damned silly."—*Sir Phillip Gibbs.*

* * *

"My government is engaged in a courageous experiment to find a better means of living."—*Hon. Warren D. Robbins, U. S. Minister to Canada.*

* * *

"Well, if nobody is prepared to continue the debate (on the address in reply to the speech from the throne) I suppose I must step into the breach."—*Senator J. P. B. Casgrain.*

* * *

"Economic and financial developments have become first page news because they are vital to the welfare of mankind and essential to the life of every human being."—*Carl W. Ackerman, Dean of the Columbia University School of Journalism.*

* * *

"The capitalist, the man who saves his money and puts it to the use of others, does so at the sacrifice of immediate gratification and under the constant attack and belittling of the demagogue."—*Lenor F. Loree, president of the Delaware Hudson Railway.*

* * *

"In this Utopia to which the President is leading us . . . men will no longer be free in the sense that they may plan their own lives, but are to be regimented, directed and ruled by an all-powerful state." —*Ogden L. Mills, former U. S. Secretary of the Treasury.*

* * *

"While people of my generation may look back regretfully to an old age which in retrospect appears agreeably golden, especially if one conveniently forgets its social defects, we know that it cannot return."—*Sir William Clark, British High Commissioner in Canada.*

* * *

"If banking is to survive in the form in which we have known it, we must during the next decade sell the public on the principle that thrift is a personal as well as a social necessity."—*Dr. A. P. Giannini, chairman of the general executive committee of the Bank of America.*

* * *

"Hindsight is not to be despised. If we can obtain a reasonably clear understanding over the road which we have travelled in the recent past, we are somewhat better equipped to make judgments about the road which we will have to travel in the future." —*Walter Lippmann, special editorial writer of the New York Herald Tribune.*

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By J. L. BURTON LEWIS

German Aims in Austria

FINDING a precedent, perhaps, in the fierce battles waged in recent years between countries that have not gone to the trouble of declaring war, it appears that National Socialism now proposes to absorb Austria without Germany annexing it formally; intends to take over operation of the country while avoiding, at least for the time, the bother of having the title transferred.

The programme Germany has adopted was indicated quite clearly in the exchange of communications between the two countries during the past 10 days, as Chancellor Dollfuss expressed his intention of seeking aid of the League of Nations in maintaining Austrian independence. In Berlin there is a calm confidence that the Nazi party in Austria, aided by economic pressure imposed by Germany and by agitation and violence instigated and financed by the Nazis of Germany, will soon capture the Government of Austria. If that is done, it would be a simple matter for the two Nazi parties to "cooperate," under German domination while the governments circulated still the fiction that Austria was independent.

* * *

ALTHOUGH the Nazi party and the state in Germany are actually the same thing government leaders have tried to make them seem to be separate institutions. There is an official foreign office and a Nazi foreign office. Other party agencies duplicate those of the government. Through this duality of organization the party can act with all the powers of the state, while the government disclaims official responsibility for the action. It would be possible, in these circumstances, for the Nazis to convert Austria into a German colony, in effect, while officials continued to issue denials, as was done last week, of any desire to seize the country, or acquire it as a possession.

Much the same thing has already happened in Danzig. The people, exercising their "right of self determination," have turned to Nazi rule. But official Germany accepts no responsibility for having given direction to that "self determination."

Official Germany, in the same way, calls the present political crisis in Austria "a purely domestic conflict," although Adolph Hitler and his followers are clearly doing everything in their power to bring about an Austrian expression of "self determination" in favor of Nazi rule.

* * *

THE desire of Germany to gain control over Austria is partly economic but largely political and sentimental. One of the fondest dreams of Chancellor Hitler is to win his native Austria to the cause of Pan-Germanism, under the sway of the National Socialist movement. There would be personal gratification in such an accomplishment. The political effect would be to transform a buffer state into an entering wedge of great usefulness in any German programme of expansion.

The sphere of Nazi influence would be extended into the section of Europe where political violence is not considered extraordinary. The three million Germans in Czechoslovakia would be largely surrounded by Nazis, if six and a half million Austrians came under the leadership of Hitler. Other countries would be exposed, and might well succumb, to the Nazi influence, notably Hungary and Yugoslavia. German and Italian varieties of Fascism would meet at the Brenner Pass, on the Austrian border, and might compete for territory in the Balkans, a possibility packed with international dynamite.

Efforts of Hitler to placate all powers surrounding Germany, excepting only Austria, going even to the extent of surrendering the dream of forcibly winning back the Polish Corridor for at least the ten year term covered by the recent accord, support the view that he counts Austria as the key to his whole dream and programme of expansion.

* * *

IN THE case of Austria, however, it is neither sentiment nor the vociferous appeal of Nazi crusaders, but economic necessity, that is the chief force driving the country toward some form of union with Germany.

When the peace treaties commanded Austria to be a sovereign state, cut her off from her former empire and ruled against her union with Germany, she was at the same time condemned to an isolation that was economically ruinous. She was separated from her natural markets and has had little success in competing for new ones.

With death creeping upon the country in an economic sense, many Austrians have come to see something desirable in the form of political suicide represented by passing under the wing of Nazi Germany, since they believe this step might bring some revival of trade activity. Desperation, rather than a feeling of close spiritual union with the people of Germany as a whole, has made Austria susceptible to Nazi appeals.

The peace treaties, according to Harold Callender, of the London bureau of the New York Times, "severed Austria from her former empire and markets, leaving her politically and economically dangling in air ready to drop like a ripe fruit into Germany's lap. True, the treaties forbade her to drop and she was not keen on doing so, but the force of gravity continued to operate."

The customs union proposal of former Chancellor Bruening of Germany, advanced in 1931 but rejected by other world powers on the strength of treaty provisions, advertised to Austrians the benefits they might expect through closer trade relations with Germany. The German economic boycott, made effective by Hitler, has shown them the losses that result when such trade is cut off. It is not hard to see why the proposal for union has many supporters.

* * *

STILL, under Chancellor Dollfuss, the country has offered spirited resistance to the blandishments of the Nazis. Foes of the union plan probably outnumber its supporters. The chief weakness in the position of Dollfuss is that there are sharp divisions within the ranks of those who join him in opposing Hitlerism.

Rural Austria is overwhelmingly Catholic while Socialists dominate in Vienna and it is in these two chief sections of the population that opposition to the Nazis centres. Dollfuss, as a Catholic, has won a large share of rural support for his programme of semi-Fascism. This same programme has also assured for him, however, the opposition of the Socialists. If he could frame a policy that would be acceptable to both groups the outlook for Austria, as a national entity, would be much brighter.

The attempt to combat one form of Fascism with another government organization adhering to a similar philosophy of rulership, has met with other grave difficulties, the most serious being that the Dollfuss regime, having been forced to give all its time to fighting Hitlerism has failed to accomplish economic rehabilitation of Austria or to establish faith in its ability to do so.

* * *

WHETHER the League of Nations will be able or willing to do anything in the cause of Austria, is open to doubt. With the Saar issue troubling it, and gravely concerned over German withdrawal from membership, the League is already embroiled more deeply than it likes in German affairs. Just now it is clinging to the hope that Germany may be persuaded to return to Geneva, but realizes that action over Austria would dissipate this.

The chief powers, of course, are opposed to any expansion by the Nazis, but it is far from clear whether they have any legal right to interfere so long as Germany follows its present course, and lets the party carry forward its programme while the hands of the government are being kept clean technically. It is equally doubtful whether the nations chiefly concerned feel that they, the League or the world can afford to take the steps that would be necessary if Germany is to be curbed.

Already whispers are to be heard that "Austria is too far gone to save," and that it would be justifiable to sacrifice her as a form of bribe to bring Germany back into the League. Such views, seriously advanced, inspire no high hopes as to either the future of Austria or the League.

As Others See Us

Export of Nickel

Calgary Herald: Those who are pressing for a stoppage of nickel exports from this country should remember what has happened to Canadian wheat in recent years. Most of the European countries are now producing more of that cereal than they need. It is not so long since they purchased annually many millions of bushels of wheat from the Canadian west.

Western Financial Crisis

Winnipeg Free Press: Professor J. A. Maxwell, of Clark University, Massachusetts, put his finger on some of the causes of the extreme financial difficulties of the western provinces, in an article in The Financial Post. This article, which shows a good deal of research, refers to the heavy debts incurred by the western provinces before the depression, the effect of burdensome debt charges upon present financing, the necessity of borrowing the money required for unemployment relief, and the closing of the New York bond market to these provinces in the fall of 1931 as the result of Britain going off the gold standard and the Canadian dollar falling to a heavy discount in the United States. Referring to the past, Professor Maxwell says:

"Until recently the West has been amazingly prosperous and its people have been buoyantly optimistic . . . Their provincial governments, with the full consent of the electors, aimed to provide government services, not only for the growing needs of the present, but for the anticipated needs of the future. They were not afraid of experiments that cost money."

While it is partly true that the financial difficulties of the western provinces are due to their mistakes in the past, it is also true that those difficulties are due in part to conditions peculiar to newly opened areas, and are especially due to the severity with which the depression has struck the West because of its large dependence on agriculture and the collapse of agricultural prices.

Other People's Views

Tighten Belts

Montreal Star: Mr. Bennett has told us to tighten our belts and emulate the splendid example of our pioneer forefathers. Sound advice, every word of it. But Parliament, at this coming session, should take itself the advice and show the country how to put it into practice. It certainly should not waste the money it exhorts us to save and pay into the parliamentary coffers in the form of taxes.

"Stop Me If You Have Heard This One"

The Washington Press Gallery's January award for the most plausible "true story" of the month went by unanimous vote to Frederick William Wile, internationally known publicist and radio commentator. Meeting a celebrated foreign visitor, who had not been in the United States for ten years, Mr. Wile asked: "What change in America impresses you most?"

"Well," the visitor replied instantly, "if I had walked down Broadway in 1924 with a bottle of whisky and a ten-dollar gold piece, I'd have been arrested for having the whisky. Now I'd be arrested for having the gold piece."

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A Statement of Sound and Steady Growth

Balance Sheet, December 31, 1933

ASSETS

Real Estate:		
Office Premises	$200,990.17	
Other (Held for Sale)	92,939.57	
		$ 293,929.74
Mortgages on Real Estate		3,345,812.48
Agreements for Sale		34,443.36
Loans on Collateral		23,800.00
Loans on Policies		1,599,360.65
Bonds and Debentures at Amortized Book Value	$2,922,865.26	
Less Deficiency of Market Value Under Book Value of Those in Default	325,916.74	
		2,596,948.52
Stocks at Market Value		52,277.00
Cash on Hand and in Banks		106,105.72
Outstanding Premiums Due and Deferred (Net)		259,985.14
Interest Due and Accrued		293,734.25
All Other Assets		378.32
TOTAL ASSETS		$8,606,775.18

LIABILITIES

Policy Reserves According to Statutory Requirements	$7,592,346.00
Reserve for Unpaid and Unreported Claims	39,300.00
Policy Proceeds Left with the Company, Including Interest Accumulations	27,281.81
Premiums Paid in Advance	15,815.71
Agents' Credit Balances	4,256.62
Taxes and Expenses, Due and Accrued	22,500.00
Investment Reserve	175,000.00
Other Liabilities	4,497.50
Capital Paid In	655,305.90
Surplus	70,471.64
TOTAL LIABILITIES	$8,606,775.18

Total Income for 1933 was $1,605,432 . . . Insurance in Force amounts to $44,022,817 . . . New Business Issued and Revived increased to $3,923,278 . . . Average Rate of Interest Earned for 1933 was 5.44% . . . Policy Reserves increased by $382,746.

Assets, Investment Reserve and Surplus were increased after making more than required provision for depreciation in securities. An excellent Excess of Income over Disbursements permitted the addition of investments of finest quality.

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The Week in Business

Trade Better in West

FAILURE of the 1933 wheat crop and low grain prices have been repeatedly stressed as major factors curbing economic recovery in Canada. Although the revenue, and consequent buying power, of farmers in Western Canada has failed to gain substantially, the fact that certain sections have greatly increased cash returns over last year and that as a whole the Prairies have shown definite improvement, should not be overlooked. Observers in the principal cities of the three Prairie Provinces all report improved retail business in January over last year. Some action is being noted in repaying old outstanding accounts and payment of current accounts has been prompt.

In its regular monthly survey of business conditions in the Prairie Provinces, the W. Sanford Evans Statistical Service, Winnipeg, sums up the situation as follows:

"Despite all the obstacles, improvement in economic conditions which began some nine or ten months ago is continuing. There can be no question about the reality of the change for the better throughout the world. Seasonal influences and the additional handicap of partial crop failures have modified effects in this part of the country but improvement has nevertheless occurred in Western Canada.

"Greater activity in the turnover of money, as indicated by the substantial increase in December bank debits, is one of the best evidences of improvement. Then increases in carloadings have begun to appear in the West, employment figures are higher, and price levels are higher than a year ago. Moreover, low as prices of farm products still are, their relation to general wholesale prices is more favorable than a year ago."

* * *

S. American Conditions Improve

ECONOMIC conditions in South American countries have shown further substantial improvement during the past few months, opening up a profitable market for Canada and Newfoundland. The most important single factor in the improvement has been the advance in price of many basic agricultural and mineral commodities which constitute the chief export staples of that continent. With the economic betterment has come greater political stability, so that the internal strife and acute social discontent which marked conditions during the past three years is now almost absent.

Paper and rubber manufacturers will be the chief gainers by the improvement in South America. Canada also exports considerable quantities of fish, wheat and potatoes to these countries. The South American market is an important one for Newfoundland's chief product, dried cod.

* * *

Expect Higher Ocean Freights

HIGHER ocean freight rates are predicted in a recent issue of the Journal of Commerce, New York. It is pointed out that during the last six months of 1933 freight rates declined more rapidly than the decrease in the volume of freight, reversing the customary trend. Space brokers believe that the increased volume of international shipments will be instrumental in forcing a moderate rise in rates now that the distress condition has been cleared up.

* * *

Loadings Advance Steadily

NECESSITY of replacing depleted stocks following Christmas business that exceeded expectations is generally credited for the substantial increase of l.c.l. merchandise and miscellaneous car loadings in January over both December and January a year ago. Loadings of these types of cars in the first four weeks of the year totalled 75,454 as compared with 62,845 in the same period of 1933, an increase of 20 per cent, and 70,277 in the last four weeks of 1933, an increase of 7.3 per cent. Added to these increases, the wood and paper products and coal and coke loadings have maintained the advances over the previous year which first became evident about the middle of 1933.

Business Conditions in Canada

SEEK TO FORM DOM. GRADES FOR EXPORT

Marketing Act Would Eliminate Local Brands

DELEGATE POWERS

Department of Trade and Commerce to Have Authority Over All Marketing and Grading is Report

From Our Own Correspondent

OTTAWA.—Preliminary study of the agricultural marketing legislation to be introduced in Parliament this year points strongly to an important change in the administrative activities of the Dominion Government, it is learned here authoritatively.

As an approach to the problem it has been agreed that the existing duplication and over-lapping of agricultural services as between the Departments of Trade and Commerce and Agriculture is to be removed. The agriculture department is to be shorn of all its marketing activities and is to remain as the branch of the government service concerned with production. The Department of Trade and Commerce is to take over all the marketing activities and, almost certainly, all matters having to do with grading.

Grading First Problem

The lines upon which the Dominion Marketing Act is being worked out include a rapid advancement in the grading of produce both for the domestic and the export markets. Hitherto grading has been confined, virtually, to the domestic market although there are a few notable exceptions such as wheat. The Dominion will also be actively concerned with the question of export policy—quantity and quality—and may extend a general measure of financial assistance where such is deemed necessary to secure steady export movement.

For example, an effort is to be made under the legislation to reduce present competitive conditions in the export trade. Instead of exporting a dozen or a score of brands of one article, the various producers will be invited to make one standard export brand to be sold under a single label. This would apply to bacon, to flour, to chilled beef, etc. The purpose is to build up numerous, well-known Canadian brands for whose general quality the Government of Canada, through strict grading, will be responsible. Just as Manitoba hard is known throughout the world as the finest of wheat so under the proposed arrangement, may red brand chilled beef, or Canada number one flour become known. The mill or packing house producing the article will tend to become of lesser importance.

Legalize Provincial Acts

The second phase of the proposed legislation will include enabling measures designed to permit provinces to enact marketing schemes of the type of the old British Columbia Marketing Act. This statute was declared ultra vires by the Supreme Court of Canada some years ago because it endeavored to control inter-provincial trade. Enabling legislation from Ottawa will permit inter-provincial trade to be regulated and thereafter a British Columbia statute would not fail because a fruit dealer of the Prairie Provinces declined, in his purchases, to abide by the statute.

From Ottawa's viewpoint this general outline of legislation has an additional advantage in that it places upon the provinces the difficult problem of working out schemes for the production and distribution of products. It would tend to make the creation of a wheat board impossible since wheat is a major item of production in three provinces. But in commodities which are largely consumed within the country, such as fruits and vegetables, it would afford the means of obtaining quick results so far as the growers are concerned.

Says Bacon Exports Meet Ready Demand in U. K.

Packers' Representative Expects Canada Will Retain Large Part of New-Found Market When Quota is Removed

Canadian bacon has obtained a definite foothold in the British market, a substantial demand having been created quite aside from the increase in exports, owing to the operation of the British quota system, S. E. Todd, manager of the Industrial and Development Council of Canadian Meat Packers, told The Financial Post last week. Mr. Todd recently made a first-hand survey of the situation in Great Britain with regard to Canadian meat and bacon.

On the other hand, an independent observer told The Financial Post that many retailers in England report they were unable to dispose of Canadian bacon in competition with Danish or domestic, as it was too salty and did not hold its color.

Problem Arises

For the immediate present the problem of whether or not Canadian bacon is acceptable to the British consumer does not loom very large, as Britain is committed to accept all the bacon Canada can produce and reduce the quotas of other countries in direct proportion. While this agreement lasts, therefore, Canadian bacon will be disposed of in the British market owing to shortage of supplies, if for no other reason. No one in the trade, however, expects the bacon quota to continue indefinitely and the question, therefore, arises as to what will happen to Canada's assumed share of the market when the country is again thrown open to free imports.

At the present time, Canadian bacon is commanding prices ranging from 85 to 90 shillings a cwt. in the British market. Danish bacon commands from 91 to 96 shillings and domestic bacon from 86 to 102 shillings. The large spread in quality of the domestic bacon, as shown by the 16 shillings spread in price, should be noted.

Under the quota system as arranged between Canada and Great Britain, imports of foreign bacon have to be restricted in relationship with the increase in imports of Canadian. Owing to the fact that, written into trade treaties with almost all foreign countries sending bacon to Britain, there is a clause which prohibits fixing of a quota unless a similar quota is fixed for domestic producers, the terms of this clause had to be carried out before foreign quotas could be fixed.

It was impossible, however, to fix production of domestic breeders without giving them something in return. A fixed price for bacon hogs was therefore made along with the production quota. This fixed price is such that bacon must sell at around 100 shillings a cwt. in order that the government may break even on the transaction. The government has therefore had a very direct interest in the price of domestic bacon.

Exports of Good Quality

One explanation of the large spread in the price of British bacon is that producers turned hogs bred for pork purposes to the bacon market in order to obtain the higher protected price. This resulted in poor grades of bacon from many animals.

Canadian bacon sent to England represents a fair cross-section of the produce retained for domestic consumption, the export shipments being probably of slightly higher quality, on the average, than those retained, according to Mr. Todd. He also reports that the campaign by the packers to encourage farmers to breed a better type of hog is meeting with considerable success.

Domestic Sales Important

Mr. Todd pointed out that the importance of the carefully nurtured domestic market could not be overlooked by the packers. Any change in their product in order to strengthen their hold on the British market would necessitate a change in the product for domestic consumption and this they were trying to avoid.

Regarding the price situation in Canada, Mr. Todd stated that this was almost a direct reflection of prices obtainable in Great Britain for bacon. There were temporary domestic factors which raised or lowered prices slightly as, for instance, when available supplies were not sufficient to enable packers to meet obligations which they had contracted, or where supplies were extra heavy. As the British Government has an interest in maintaining prices in the United Kingdom, he felt that hog prices in Canada would remain at fairly high levels during the life of the quota agreement. The increase was not seasonal, he pointed out.

OVER PRODUCTION GIVEN AS REASON FOR CHEAP CATTLE

Meat Packers' Council Surveys Price Situation

FORECAST INCREASE

Public Turned to Pork and Other Substitutes When Cattle and Beef Prices Remained High Until 1932

Why are cattle prices at the lowest level in years when prices of other agricultural products have risen and when the buying power of the public is greater than it was last year is a question which is exercising the brains of producers and is at the back of the Hon. H. H. Stevens attack on packers for alleged "back-door" methods of purchasing.

To obtain a background of the present price structure it is necessary to go back to 1926 when meat was selling at 18 cents a pound—a price which at that time allowed of a fair return to the producer, according to a survey of the situation made by the Industrial and Development Council of Canadian Meat Packers. At that time, flour was selling at $4.41 a 98 lb. bag, potatoes at $2.72 a 90 lb. bag, butter at 42 cents a pound and eggs at 47 cents a dozen. Lamb was 11 cents a pound at that time, poultry was 24 cents a pound and bacon 35 cents a pound. Wheat was selling at $1.49 a bushel. In the following price comparisons, each of these prices is used as a base for future fluctuations being equalled to 100.

Meat Remains High

By 1930, the only price to remain above the 1926 level was meat, the weight being 131.4. In 1931, the price had declined to 92.5 but prices of other produce had made further declines. It can be seen, therefore, that meat prices—and also cattle, of course—were the last to succumb to the general downward price movement which took place between 1929 and 1933.

Grain prices were the first to decline and farmers turned to hogs and poultry for a cash crop as these types of animals could be most readily increased. A collapse in these prices quickly followed increased production. Attention to cattle also reached a zenith in 1931 when the price of other farm products has declined from 50 to 70 per cent from the 1926 levels and meat and cattle prices had been only slightly reduced. But as it takes approximately three years from conception to bring cattle to market, it is this increased production which now overhangs the market and is providing one of the price problems.

Aggravating this increased supply situation, the consumption of meat by the Canadian public naturally fell off as the price remained high and prices of lamb and pig products and produce items declined rapidly. According to the survey of the Dominion Bureau of Statistics, the per capita consumption of meat declined 10½ pounds between 1929 and 1932, an aggregate of 110,000,000 pounds of beef or approximately 220,000 head of cattle. The potential market has thus been reduced by approximately 25 per cent unless lower prices again turn the public to beef from the substitutes which they have been using.

Beef and pork are natural direct competitors with each other in the consuming markets the survey points out. Pork greatly increased in volume and went down in price. In 1930 pork consumption per capita was below normal due to high prices but it rapidly replaced beef in 1931, gaining 10½ pounds in a single year.

Since that time cattle prices have been adjusted and consumption is once again on the increase. A fair export market with Great Britain has been built up but it has not been sufficient to entirely eliminate the surplus and begin to effect prices. The industry believes, however, that increasing domestic demand and maintenance of exports will soon raise cattle and meat prices.

Commodity Prices

Commodities traded on United States markets showed a general upward movement during the past week although they did not gain as much as had been anticipated. It would appear that the main effect to date of the reduced gold valuation of the United States dollar has been on foreign exchanges.

Trading at Winnipeg was spotty, export demand being light both last week and at the opening of the current week. Added to this there was a fair amount of wheat offered for sale. Prices remained at about the same level as a week ago.

Commodity Prices at Wholesale‡

	Week ending Feb. 3	Previous week	Same week last yr.
Cattle, cwt.§	$6.50	$6.50	$4.40
Copper, lb.	.08	.08¼	.05
Cotton, lb.	.1195	.1150	.0595
Rubber, lb.	.0997	.0994	.0297
Sugar, raw, lb.	.0330	.0320	.0265
Silk, lb.	1.57½	1.47½	1.22½
Wheat (Man.) bu.‡	.66⅛	.67¼	.45½
Hides, lb.	.10½	.10¼	.05
Coffee, lb.	.09⅝	.09⅝	.08¼
Weekly Indices♦			
N. Y. Annalist■	104.8	104.2	80.2
Fishers'*	72.5	72.1	†71.3
N. Y. Journal of Comm.	73.1	72.7	52.5
Crumps (Brit.)*	65.8	65.4	†63.4
Can. (D.B.S.)▲	93.2	88.1	71.3
U. S. Labor*	72.4	72.3	60.4

†Average, 1933. *Jan. 27.
■Week to Jan. 30. §Feb. 1.
▲Jan. 20. ‡Feb. 5.

Monthly Indices♦

	Latest w'sale	Prev. month	Same month last year
Canada (B.D.S.)			
W'sale (Dec.)	69.0	68.7	64.0
Retail (Dec.)	78.4	78.1	81.4
U. S. Labor (Dec.)	70.8	71.1	62.6
Gt. Brit.* (Nov.)	69.6	69.3	68.2

♦N. Y. Annalist base, 1913, others 1926 = 100.

*Board of Trade Index, converted from 1913 base.

‡Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price. Toronto; copper—electrolytic, New York; silk—Japanese, 13-15, New York; sugar—96 degrees centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Business Briefs

Sugar meltings and shipments in 1933 amounted to 766,974,723 pounds as compared with 854,402,512 pounds in 1932. Imports of raw sugar totalled 786,000,000 pounds as compared with 864,565,000 pounds in 1932.

Export of Planks and Boards in December amounted to 99,393 M. ft. as compared with 37,543 M. ft. in December a year ago. Exports in 1933 amounted to 1,017,837 M. ft. valued at $17,421,415 as compared with 674,167 M. ft. valued at $12,597,666 in 1932. Increases were chiefly to the United Kingdom.

Mill Grindings of wheat in Canada in December amounted to 4,327,524 bushels, a decrease from December a year ago when the total was 4,493,143 bushels.

Petroleum Imports in December amounted to 64,969,634 gallons as compared with 91,761,448 gallons in November and 32,807,694 gallons in December, 1932.

Gasoline Sales in November amounted to 43,856,000 gallons as compared with 50,906,000 gallons in October and 38,237,000 gallons in November, 1932.

Car Loadings in the week ended Jan. 27 amounted to 40,171 cars, an increase of 8,734 cars over the corresponding week of 1933 but 604 cars fewer than in the previous week. The adjusted index number declined from 72.49 to 72.33, the latter figure comparing with 56.60 in 1933.

Bank Debits in Canada amounted to $2,492,000,000 in December as compared with $2,085,000,000 in the same month of 1932, a gain of 19.5 per cent. There was a decrease of 8.9 per cent in the comparison with November after seasonal adjustment.

Failures under the Bankruptcy Act for the week ended Jan. 27 numbered 25 as compared with 50 in the corresponding week of 1933. Failures for the year to date number 121 as compared with 174 in the corresponding period of 1933, a decrease of 30 per cent.

Canadian Business Indicators

Compiled by The Financial Post

▲Denotes new figures this week.

	Weekly Latest 1934	1933	Cumulative Jan. 1 to date 1934	1933
Transportation—				
Car loadings (Jan. 27)	▲40,171	31,437	156,697	123,795
C. P. R. gross earn. (Jan. 31)	$ ▲3,102,000	$ 2,605,000	$ 8,970,000	$ 7,676,000
C. N. R. gross earn. (Jan. 31)	$ ▲3,882,271	$ 3,279,067	$ 11,562,577	$ 9,723,589
	1933	1932	Cumulative Jan. 1 to date 1933	1932
	Monthly			
C. P. R. net earn. (Dec.)	$ 3,246,397	$ 2,510,749	$ 20,862,105	$ 20,089,984
C. N. R. net earn (Nov.)	$ 1,548,099	$ 736,600	$ 4,998,057	$ 6,031,155
Iron and Steel—				
Pig iron, tons (Dec.)	38,612	27,031	229,076	144,130
Steel, tons (Dec.)	49,557	27,313	407,981	339,346
Automobile prod. No. (Dec.)	3,262	2,112	65,924	60,789
Auto Vehicles—				
Passenger, sales, No. (Dec.)	▲800	848	39,568	38,621
Trucks & buses, sales, No. (December)	▲167	190	5,764	7,249
Auto. exports, No. (Dec.)	1,657	1,132	20,900	13,022
Construction—				
Building permits (Dec.)	$ 1,975,855	$ 1,569,255	$ 21,629,783	$ 42,319,397
Contracts (Jan., 1934)	$ ▲6,702,900	$ 3,362,400	......	......
Newsprint—				
Production, tons (Dec.)	175,304	138,682	2,017,004	1,907,566
Exports, tons (Dec.)	185,636	136,993	1,838,098	1,826,758
Sugar—				
Imports, raw, lbs. (Dec.)	12,718,800	22,731,400	486,962,000	674,635,900
Melt. & ship., lbs.*	34,406,275	37,750,368	766,974,723	854,402,512
Manufactured, lbs.*	56,968,324	61,344,717	881,877,554	956,289,254
Flour—				
Production, bbls. (Dec.)	▲967,284	1,009,799	13,883,461	14,465,164
Wheat flour exp., bbls. (Dec.)	413,183	492,033	5,570,136	5,131,781
Other Industrial Indices—				
Lumbering: Plank & board exports, mill. ft. (Dec.)	99.39	38.54	1,018.77	675.05
Boots and shoes, pr. (Nov.)	1,371,253	1,361,334	18,276,487	16,901,154
Petroleum, imp., crude gal. (December)	▲64,969,634	32,807,694	954,392,366	889,838,742
Cotton, imp., raw, lbs. (December)	▲19,803,000	13,819,000	119,698,192	97,356,000
Rubber, raw, imp. lbs. (Dec.)	▲3,972,000	2,109,000	43,283,451	46,854,675
Coal, imports, tons (Dec.)	906,931	893,636	11,485,224	11,673,428
Gasoline sales, gals. (Nov.)	▲43,856,000	38,237,000	473,288,000	474,107,100
Trade—				
Imports (December)	$ 35,367,553	$ 28,961,212	$ 401,254,312	$ 452,614,257
Exports (December)	$ 50,928,856	$ 42,615,796	$ 531,474,179	$ 492,808,841
Wheat exports, bus. (Dec.)	17,457,963	27,735,999	191,968,861	228,219,755
Labor—				
Employment Index (Jan.)	88.6	78.5	......	......
Electric Power—Output—				
M. Kilowatt hours (Dec.)	▲1,707,885	1,433,191	17,552,999	15,862,086
Finance—				
Failures, No. (November)	155	229	1,885	2,224
Failures, Liabilities (Nov.)	$ 1,939,833	$ 4,342,717	$ 30,609,086	$ 38,849,423
Bank debits (Dec.)	$ 2,492,000	$ 2,085,000	$ 29,981,544	$ 25,844,683
Bond sales (Dec.)	$ 10,000	$ 9,067,200	$ 528,401,069	$ 479,366,270
Insurance sales (Dec.)	$ 37,276,000	$ 33,483,000	$ 364,050,000	$ 403,923,000
Automobile Financing—				
Used cars (December)	$ 426,109	$ 658,822	$ 10,125,306	$ 13,124,289
New cars (December)	$ 307,656	$ 473,433	$ 10,029,092	$ 12,741,358

*Four weeks period, Dec. 9 to Dec. 30. †(000's omitted).

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RECORD REVEALS CANADIANS LOST IN TACK EPISODE

Atlas Tack Stock Tipped by 'Phone to Winnipeg

"SERVICE" IS USED

McNeel's Advisory Agency Implicated—Former Head of Service Now Dead

From Our Own Correspondent

NEW YORK.—The recent stock market debacle of Atlas Tack has attracted widespread attention. Many Canadian investors and speculators were included among those who lost when the stock collapsed after considerable manipulation in the market.

Of particular interest in the episode were three features:

1. It indicated that stock market manipulation by pools is still possible and is still carried on in New York.

2. During the last few hectic days of the stock's rise and following its break, Canadian investors received long distance telephone calls from McNeel's Financial Service, of Boston, urging them to hold their stock and buy more;

3. It now transpires that McNeel's Financial Service is no longer the independent investment advisory service it once was. The founder, R. W. McNeel, a rather brilliant young Canadian and a graduate of the University of Toronto, died last spring and the service has come into the possession of a group who—but that's getting a little ahead of the story.

Complaints From Investors

Following complaints received from Canadian investors who were mulcted, The Financial Post made an investigation of the recent Atlas stock manipulation. The facts here published are taken from sworn evidence on file in the office of the New York city office of the attorney-general of the State of New York.

The Atlas Tack debacle has attracted widespread attention. While a large number of small investors lost heavily, Philip H. Philbin, the manipulator of the stock during its spectacular rise, accumulated a profit of over $600,000. During the public hearing conducted by the office of the Attorney-General of the State of New York, Philbin testified he offered $5 a share for a controlling block of the stock (94,000 shares outstanding) and upon refusal, proceeded to purchase stock in the open market. It fluctuated in price from a low of $1.50 in 1933 to a high of $34.25 at the time of the break on December 16. Atlas Tack's earnings for 1933 were about $87,000, or 91 cents a share, and the latest balance sheet indicates total assets of $1.4 million, with a net worth of $1.3 million.

Said Stock Headed Up

The action of the stock since last June unquestionably indicated manipulation. Long distance telephone "experts" located in Boston "tipped" the common stock of this company throughout practically every State in the United States and Canada as far west as Winnipeg. The tip was to the effect that the stock would go to 60 or 70 because of large bottle cap orders. These tipsters used the name of a widely known Boston financial advisory service, The R. W. McNeel Financial Service. The founder, R. W. McNeel, died last spring, and the service was sold to an individual who disposed of it in about three months. Joseph V. Carroll, who is said to have been operating it at the time of the break, admitted to the Boston Better Business Bureau that he had acted as attorney for William L. Jarvis during the past and would do so again if necessary. Jarvis, of course, is the reputed right-hand man of George Graham Rice, who recently completed a term in Atlanta Penitentiary for using the mails to defraud investors.

Philbin denied having heard of the McNeel Service until "10 or 12 or 14" days prior to the break in the stock. He said a wire was sent to him on the 13th or 14th of December from the Chicago office of Boettcher-Newton & Co. to the effect that one of their customers was buying Atlas Tack on the recommendation of the McNeel Service, and that they thought he would like to know this service was recommending it. In answer to another question from Assistant Attorney-General McCall, he said that he tried to find out what particular interest McNeel's would have in recommending the purchase of this stock but found nothing. (As a matter of fact, the McNeel Service had been almost "dead" for seven months.) When suddenly Philbin recalled that during the past summer a representative of McNeel's had called at the Atlas plant in Fairhaven, Massachusetts.

$20,000 on Phone Calls

He said he paid no money to the Service, but Mr. McNeel indicated that on November 29th a cheque for $15,000 was given to a Mr. Mahoney who was with McNeel's. Philbin denied knowing him but said he might be able to recall after "studying." The Assistant Attorney-General stated to your correspondent that McNeel's spent at least $20,000 for telephone calls and otherwise "bulling" the stock. Jarvis was probably behind McNeel's but Philbin claims Janis was the correct name of this individual—not Jarvis. He refused to admit it is Jarvis.

Philbin testified he was selling the stock over a period of weeks before December 16th, while he was giving out statements regarding a proposed three-for-one split-up, and consideration of dividend action at the March, 1934, meeting of the directors. The purpose was obvious.

Safe From Burglars

He said he did not remember details regarding cheques for over $400,000 he signed except that the cash had been "either used to pay off obligations or put in safekeeping." He declined to name the place of safekeeping, saying he still had money in the same place, and publication of the details "would attract burglars." Cheques were drawn on Philip H. Philbin, Inc. (a New York corporation organized in the spring of 1933 with nominal capital) and charged against Philbin's personal account with the company. Inability to recall these cheque payments, in many cases with the endorsement guaranteed by him, led to a drastic climax when his arrest was ordered by Mr. McCall. However, the court quickly released him so that he could consult the records he kept referring to, but a satisfactory explanation was at no time forthcoming.

He testified he gave large sums to Harold B. Hale, his secretary, to pay obligations, but had no record of them. Hale is now in Maine and almost insuperable difficulty has been encountered in extraditing him. Philbin claims that the mysterious disappearance of his former secretary and official of his holding company has placed him in a position where he cannot recall details of the intricate financial dealings involving large payments to unknown individuals.

Exposé Threatened

Hale made deposits in a Boston bank for the account of a corporation known as the Bay State Corporation. The address of the latter was 80 Federal Street, the same address used by Jarvis and another associate of the latter, Samuel Gaines, alias Ginsberg. All the money turned over to Philbin came from Boston. The Boston Better Business Bureau reported it had information indicating the Bay State Corporation had negotiated for the purchase of McNeel's Financial Service. Philbin admitted he had met Gaines but denied knowing Jarvis. Moses Polakoff, the lawyer who formed Philbin, Inc., has served as the lawyer for Gaines and also admitted he knew Jarvis, in fact, has served as attorney for Gaines and Jarvis in one matter.

A specialist in Atlas Tack stock said that about October 15th he spoke to the Business Conduct Committee of the New York Stock Exchange and the latter is said to have investigated the situation, but gave the specialist no instruction. He said he had several conversations at different times concerning the stock after more dangerous signs were noted.

A scathing article was to appear, and did appear, in the December 20th issue of The Financial World, a magazine published in New York City, and it is believed the group got word it was coming out and liquidated on the 15th.

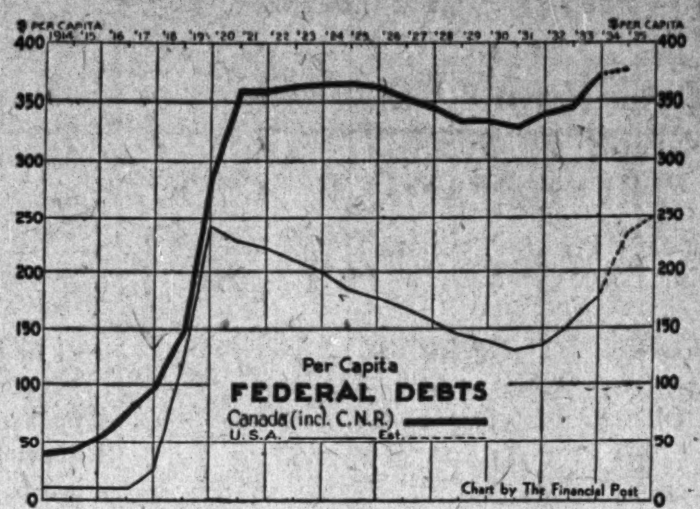
Another Rapid Rise

The New York Stock Exchange is conducting an enquiry at the present time into Wright Aeronautical Corporation stock because trading has assumed unusual proportions and fluctuations of a spectacular nature have been taking place. It went up 28 points at one time and then dropped almost as quick after rumors that the Exchange was investigating. Only 5 per cent of the stock is in the hands of the public, the remainder being held by Curtiss-Wright. Its two day rise of more than 45 points to 75 contrasts with a low of 17 in 1934, 6 in 1933, and 4 in 1932.

New York State has no jurisdiction over the records in Boston, and as the Atlas Tack case obviously involves inter-state transactions, it has been turned to the Federal authorities for action. Federal control alone can check such manipulations and it is believed some form of Federal regulation will be enacted in the comparatively near future.

A communication addressed by The Financial Post some weeks ago to McNeel's Financial Service is still unanswered.

Dominion's Per Capita Debt Heavy



Comparison of federal Government debt in Canada and the United States shows that we carry a heavier burden than our neighbor country. This is chiefly due to the C. N. R., but even without including this handicap, Canada's per capita federal debt was $67 a head heavier than that of the United States in 1933. Including the C. N. R., Canada's federal debt per capita was more than double that of the United States in 1933. And even without the C. N. R., we will be laboring under a heavier relative debt in 1935, despite Mr. Roosevelt's enormous deficits.

Dominion Debt Per Capita Over Twice That of U. S.

Federal Debt Figure for 1933 in Canada $372.26 Compared With $179.59 for United States — Reason Roosevelt Can Spend Freely

Canada's per capita federal debt was over twice that of the United States in 1933, and will still be far above the American figure in 1934 and 1935 after giving full effect to Mr. Roosevelt's proposed expenditures of $11,000,000,000 for public works and other "recovery" measures, analysis by The Financial Post reveals. Dominion and C.N.R. debt per capita amounted to $372.26 in 1933, compared with U. S. federal debt of $179.59 This fact is one reason cited by financial and taxing authorities why Canada could not afford to go on a spending spree in company with Uncle Sam.

In this study, the debt of the C. N. R. to the public is included in Canada's federal debt, since the Dominion owns the road and meets its deficits. The analysis concerns only the debts of the federal governments of the two countries because comparable statistics on state and provincial municipal and private debts are not available. However, Canada's burden of debt of all kinds is estimated to be at least as large, and probably larger than in the United States on a per capita basis.

Comparative per capita federal debt from 1913 to 1935 is shown below:

Federal Debt per Capita

Year	Canada Incl. C.N.R. $	Canada Excl. C.N.R. $	U.S.A. $
1913	41.18	41.18	12.26
1914	42.64	42.64	12.00
1915	56.31	56.31	11.88
1916	76.88	76.88	11.96
1917	99.08	99.08	28.57
1918	146.28	146.28	115.65
1919	285.84	189.45	240.09
1920	358.71	262.84	228.32
1921	358.49	266.37	221.09
1922	361.77	271.88	208.97
1923	363.69	272.31	200.10
1924	364.40	264.41	186.86
1925	360.31	260.08	177.82
1926	350.78	252.83	167.70
1927	345.50	243.68	156.04
1928	332.97	233.54	146.69
1929	333.84	221.91	189.40
1930	327.81	213.34	131.38
1931	340.99	217.94	135.41
1932	346.50	226.14	155.85
1933	*372.26	247.14	179.59
1934	*376.95	*253.52	*235.94
1935	......	......	*249.68

*Estimated by The Financial Post.

Contrasted to U. S. A.

Examination of the figures shows that immediately following the war, the American federal debt began to decline sharply, and did not commence to rise until 1931. Thus the way was laid for spending in the emergency of depression, although all American authorities are not agreed that Mr. Roosevelt's outlays are warranted.

In Canada, on the other hand, acquisition of the C. N. R. greatly increased our federal per capita debt after the war, and sustained it at war levels for nearly six years. In the 1927-30 period, the figure dropped, but only to a minor degree in comparison with the American experience. The result has been that our lighter depression spending has sent the per capita federal debt higher than ever before, whereas the United States will only exceed its war time per capita debt after the enormous 1934 and 1935 deficits have swelled the debt by $9,000,000,000.

The Dominion's per capita debt even excluding the C. N. R. was not reduced in as large proportion as was that of the United States. However, it is clear from the table that but for the national railways our position would be considerably better than it is.

The conclusion drawn from these figures by fiscal authorities is that you cannot eat your cake and have it too. In Canada we appear to have eaten a great deal more of our cake than has the United States. So, as regards spending our way to recovery, whether or not that is wise or possible, Canada is in the position of the gorged but unhappy small boy who has to watch his companion finish his piece of cake. We appear to have some financial indigestion from eating our piece, perhaps because we ate it before tea time.

CATELLI MACARONI PRODUCTS PROFITS LOWER LAST YEAR

Outstanding Preferred Stock Reduced by 4,013 Shares

From Our Own Correspondent

MONTREAL.—Operating profits of Catelli Macaroni Products Corp. for the year ended November 30, 1933, amounted to $74,394 compared with $92,627 in the fiscal year 1932. Reserve for depreciation totalled $84,297 resulting in a deficit of $9,902 in the profit and loss account. In the preceding year a larger depreciation was written off, but there was a net profit of $2,515.

On November 30 last the company had assets totalling $2,077,891. Principal change among the liabilities is a reduction in the outstanding preferred stock from $1,560,000 to $1,439,610. The retirement of 4,013 shares was accomplished at a discount of $89,337. This amount was transferred to a special reserve for idle plant, equipment, etc.

Changes Are Few

The other items among liabilities do not show any material change from those reported a year ago.

Current assets show an increase from $442,065 to $492,212. This is largely due to an increase in investment securities from $36,890 to $83,910. In both cases the securities were taken in the books at cost which does not exceed the market value.

Fixed assets show a slight gain to $1,510,402 while goodwill, patent rights etc. are carried on the books at $100,000.

English Market Needs Intensive Cultivation

Cannot be Won by Irregular Shipments Sent Over in Haphazard Fashion

By J. K. ROSS-DUGGAN
Editor "Canadian Trade Abroad"

Our exports to England are of those types which give a maximum return to our most important primary industries. An outstanding feature is that to a large extent they comprise the results of the labor of our farmers, fishermen and lumbermen. Therefore, they constitute a vital factor in the development of primary industry. Exports from Canada to the United Kingdom totalled $197,738,292 for twelve months ending October 31, 1933.

A great work has been done by the Canadian Government trade commissioners who are resident in the United Kingdom; Harrison Watson in London, H. R. Poussette in Liverpool, Douglas S. Cole in Bristol, Gordon B. Johnson in Glasgow and James Cormack in Northern Ireland and the Irish Free State.

An excellent background to the sales distribution of Canadian products in the United Kingdom has been provided by the Canadian Exhibition Commissioner under the leadership of J. O. Turcotte and the Canadian Government Publicity Service headed by D. G. Gerahty.

Other Dominions Busy

Australia, New Zealand, South Africa and the other British possessions have definitely and logically proceeded to set up a system for the orderly marketing of their products in British markets, backed up by adequate publicity. They have outdistanced Canada in merchandising of food products.

The Ottawa agreements brought into being a new concept of Empire unity and co-ordination and laid a strong foundation for the building of an important and ever increasing Anglo-Canadian trade. Tuning in with the masterly marketing activities of the now abandoned Empire Marketing Board, a great impetus has been given to the introduction and wide distribution of Canadian farm products in the British market.

Many Canadian producers do not take their export business to the United Kingdom very seriously. It is useless to regard Great Britain as a dumping ground for farm products. There are no more discriminating buyers in the world than the British. They have a very delicate system of distribution and any snap-decision shipments to take a chance on the market, can only bring disaster and, what is more serious, damage to the good name of Canadian products.

Must be Right Approach

Another important point to remember is that volume does not necessarily constitute profitable export business. The acid test is the price obtained for the merchandise exported. Our approach to merchandising problems in the United Kingdom must be scientific, well-considered and thorough.

It is interesting to note that our leading canning organization, after many years of experimentation in the British market, has finally decided to undertake comprehensive and intensive propaganda in that territory in order to develop the sale of its goods.

There are two important factors that must never be lost sight of in any approach to the British market; quality goods must be shipped and due deference must be paid to the time-honored methods of distribution employed in the British market. An adequate system of inspection, branding and grading would undoubtedly make the first point effective. The second point is for producers and their associations to study.

Seen in Retail Stores

The quantity and variety of Canadian products on retail sale in London, Bristol, Liverpool, Manchester, Glasgow and other leading British cities is vast. Canadian products of one kind or another will be found in the humblest shops as well as in the finest stores, such as the Army and Navy Co-operative Society, Victoria Street; Barker & Co., Kensington High Street; The Civil Service Supply Association, The Strand; Harrods, Brompton Rd.; Selfridge & Co., Oxford St.; Whiteley's, and many others.

All of these dominant merchandising organizations within the past few years have capitalized on the sentiment in favor of Empire products.

Throughout Great Britain the large stores have organized special displays of Canadian and other Empire produce which have attracted immediate attention. Some stores, such as the Army & Navy Store and the Civil Service Stores, have compiled special price lists of Empire products indicating that Dominion origin. The Army & Navy list devotes a special page, for instance, to Canadian groceries.

Price lists of this kind are sent out regularly to all customers and special emphasis is laid on Empire goods as being an important reason for purchase. These outstanding examples merely typify what is going on throughout the entire British market.

There are many instances of meetings held in industrial organizations where addresses have been made urging the employees to purchase Empire goods for the reason that these same Dominions are buying the products of those particular factories.

There are so many other items of increasing Canadian export to the United Kingdom that it would be difficult to list them all. I had the opportunity, for instance, of inspecting the entries of goods from Canada into the Port of Liverpool from October 6 to October 18. Accounting only for the more important products, the list took over four pages of foolscap and a rough estimate of value would be in the neighborhood of £100,000.

Major G. B. Johnson, Canadian Government Trade Commissioner in Glasgow, told me that Scotland, on a population basis, buys more flour from Canada than any other country with perhaps two exceptions, namely, Newfoundland and the West Indies.

The imports of tobacco to Bristol, for instance, have been of striking importance. The first sales of Canadian tobacco of any importance were made in the West of England in 1923-24. The growth of trade was fairly steady until 1931 when there was a great improvement in the quality of the flue cured Virginia type tobacco raised in Western Ontario. The 1932 crop showed further evidences of improvement and today Canada is shipping a leaf of which she may justly be proud. A total of 8,000,000 pounds represents the Bristol Channel imports of tobacco during 1933.

Some Prominent Brands

Canadian marks and brands are to be found throughout this important territory. Every Canadian rubber company has distribution of its tires and rubber footwear. Canadian patent leather is in steady demand. In the various stores you will notice Palmolive soap. Thor and Beatty washing machines, Taylor Forbes lawn mowers, Ruddy refrigerators. C.C.M. and Starr skates, Peterborough and Lakefield canoes, Viceroy rubber bands and erasers, Waterman, Wahl, Parker and Sheaffer fountain pens, Canadian Club cigarettes (made in England of Canadian leaf), Beaver carbon paper and typewriter ribbons, Canadian Kodak cameras and films, Weldrest hosiery, Tentest and Insul board, McClary stoves and a wide range of products, including toilet preparations, proprietary medicines, leather gloves for sportsmen and workmen, dowels, clothes pegs, axe handles, balloons, tools of all kinds, women's dresses, radio sets, agricultural tools, macaroni, spaghetti, canned vegetables, fruits and fish, maple syrup and honey, in addition to a wide range of food products as, for instance, turkeys, poultry, cheese, wheat, flour, apples, bacon, beef and right down the long range of Canadian food products.

POSSIBLE SAVING UP TO $15,250,000 PROVINCES' COSTS

Thomas Bradshaw Shows Effects Debt Refunding at 3½ or 4 p.c.

If refunding at maturity of all Canadian provincial bonds were arranged on a 3½ per cent basis, the aggregate annual saving in costs would amount to $15,250,000, and at four per cent it would be $9,750,000 according to a study made by Thomas Bradshaw, president North American Life Assurance Co.

His reference to governmental finance is made to indicate what may possibly be accomplished in obtaining interest relief for Canada's larger borrowers, provided they maintain unblemished credit records. In varying degrees this would, of course, apply to other borrowers such as municipalities and corporations. A feature of the study of the life company is an analysis of the average cost of funded debts of the provinces and of the Dominion. Omitting guaranteed loans, treasury bills, and other current loans, the average costs were found to be as follows:

Average Cost of Direct Funded Debt

Borrower:	%
Quebec	4.33
Nova Scotia	4.61
British Columbia	4.66
Saskatchewan	4.82
New Brunswick	4.85
Alberta	4.90
Manitoba	4.90
Ontario	4.95
Prince Edward Island	5.07
Average for all provinces	4.82
Dominion of Canada	4.54

Ontario, P. E. I. Cost Highest

A noteworthy fact is that Ontario and Prince Edward Island are paying higher average interest on their funded debts than any of the other provinces; higher even than the Prairie Provinces whose bonds are now selling to yield over 6 per cent in some cases. And Quebec's average is best; better even than that of the Dominion.

Mr. Bradshaw cites conditions upon which the possibility of making the large savings mentioned would depend, including: (1) conditions of investment markets at time loans mature; (2) prevailing rate of interest at which various loans could be floated; (3) credit and financial conditions of the various Governments; (4) foreign exchange situation. Mention is also made that some authorities expect money rates to be low for some time, and that the London market offers promise of aid; the latter would depend, of course, on opening of that market to Canadian borrowers.

Concerns Maturities Only

The suggestion of savings that could be made by refunding is based on the supposition that the debts be extended on more favorable terms when they mature. There is no suggestion that a widespread conversion, such as was enforced in Australia, be attempted.

The rates that Government loans carry, as shown above, are characterized by Mr. Bradshaw as "not unreasonable." It is noteworthy, however, that if certain provinces, such as Saskatchewan and British Columbia, were to have loans bearing four or 4½ per cent rates maturing at the present time, they would probably not be able to borrow the money in Canada under six per cent, in the opinion of financial authorities. If, however, the ban on borrowing were removed in Great Britain, they might be able to renew loans on more favorable terms.

Fight Pneumonia—
It ravages with the speed of a forest fire

PNEUMONIA causes the death of thousands of people in this country every year. Many of these deaths result because the speed with which it attacks the patient is not matched by promptness of defense.

In rare instances, a person apparently in the best of health, is stricken with pneumonia. But usually the disease is contracted by one whose vitality has been lowered by exhaustion or exposure, or who has been dragging himself around for several days through sheer will power or stubbornness, while suffering from a protracted cold.

During the critical stages of an attack of pneumonia the patient's chance of recovery often depends largely upon well-trained, faithful nursing.

There is a serum which is of great assistance in some types of pneumonia. It has helped to save many lives. If your doctor advises its use, have it administered at the earliest possible moment. Time is vital. A fire may be quenched when small, but becomes uncontrollable as a conflagration.

While victory over some diseases can be achieved only by months and sometimes years of patient resistance, the battle against pneumonia is usually won or lost in a comparatively short space of time—sometimes it is a matter of days or merely hours. Meet the speed of pneumonia's attack with greater speed in defense.

Metropolitan Life Insurance Company will gladly mail, free, its booklet "Just a Cold? Or"—Address Booklet Dept. 2-F-34.

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Your Investments

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Abstraction of Vote From Shareholders

Common Practice of Leaving Control With Interests Holding Watered Stock Deserves Attention — Can Restrictions be Imposed?

By F. W. WEGENAST, K.C.,
Author of "Canadian Companies"

In this fourth article of the series devoted to developing the general considerations and principles which should be considered by those considering changes in Canadian company law, consideration is given to a modern trend in financing which has as its effect the "abstraction of the vote" from shareholders.

Where a company of persons embark upon a corporate undertaking the rule is that each person has a "say" proportionate to the amount he has invested. The man who has invested $10,000 expects to have as much say as two men who have invested $5,000 each. Otherwise, he would not join the enterprise. This "say" is expressed in terms of votes, the capital being divided into shares of equal amounts and each shareholder having as many votes as he has shares.

Let us see what becomes of this simple basic theory in the case of a company with a capital of $1,000,000 preferred stock and $1,000,000 common stock, set up according to the prevailing promotion practice.

The common stock will be entirely water. The investors of real capital whether in money or other assets will have been given "preferred" stock, that is, stock preferred as to dividends and perhaps as to capital. But it is almost uniform practice to withhold from preferred shareholders any vote in the management of the enterprise, at all events unless and until there has been default for a certain period in the payment of dividends and then perhaps only for a winding-up of the company.

Control by Watered Stock

So we have an arrangement under which the management of the enterprise is solely or substantially in the hands of persons who may have put little, if any, money into it. This is not a supposition or an isolated case. It has grown to be in a variety of forms and degrees something like the general rule.

The theory is that since the holders of the common stock will get no dividends unless and until the preferred shareholders have had theirs, the common shareholders may be trusted to see that everything possible is done to make the enterprise earn more than the dividend on the preferred stock. That has at least the merit of being optimistic. It also has the merit, to the common shareholders, of enabling them to vote themselves adequate salaries while the experiment is being tried out.

But suppose the company gets into difficulty about meeting the preferred dividends. Will not the directors representing the common shareholders make every effort to keep control of the company and its emoluments? Will they do what the preferred shareholders would do if they were in control in the matter of writing off depreciation, etc.? Would an auditor acting exclusively for the preferred shareholders make the same report as to earnings, profits, reserves, etc., as the auditor selected by the common shareholders?

Right to Separate Audit

And therein, perhaps, lies the germ of a remedial idea. Would it, or would it not, be in order if the owners of any class of securities, such as preferred stock or bonds, which had not a vote in the selection of the regular auditors of the company, should have the right to a separate audit of the company's accounts?

One of the main questions, then, seems to be whether the present freedom to abstract the vote from preferred stock is in the interest of sound corporate finance. Are there forms of regulation or restriction of this freedom that ought in the interest of the impressionable public to be imposed? Is the present measure of freedom essential to the public interest?

This fourth article, in a series of six, written by Mr. Wegenast, will be followed in an early issue by another article on "Abuse of Majority Control." The first article was written on "Misrepresentation," the second and third on "Stock Watering or Illusory Capitalization." The last one will be "Defective Auditing."

Enquiries

Woods Mfg.

Has there been an improvement in the position of the Woods Mfg. Co.? I have held some of this company's bonds for a long time, but am wondering if one should continue to hold on to them.

Woods Mfg. Co. operations have improved to such an extent that the operating deficits of 1930 and 1931 were changed into an operating profit in 1932. The report for 1933 is expected to show earnings on a satisfactory basis, sufficient to cover bond interest. The working capital position of the company is relatively strong and with bond interest requirements amounting to around $40,000, it is expected that the company will have no particular difficulty in maintaining its obligations in respect of this bond.

Quebec Telephone

Can you give me any information on the Quebec Telephone Co., which passed its dividend three years ago?

Quebec Telephone and Power Co.'s operations have been affected by general business conditions. While the 1933 report will not be available until some time in April, it is expected that income will not show an appreciable change from that reported in 1932 when the company showed a net profit of $32 after taking care of depreciation, interest charges and amortization of debts, discounts and expenses. Dividend prospects are not especially promising at this time.

Sin-Mac Lines

Will you please give me any facts obtainable regarding the Sin-Mac Lines? Did business in 1933 show any improvement over 1932 and what is likely to be the outcome for the bonds which were placed in the hands of the trust company two years ago when a bondholders' committee was formed? Unfortunately for me, I hold two bonds of this company and will be pleased to learn something of what is being done by the company and future prospects.

It is expected that the bondholders' committee of Sin-Mac Lines will be issuing a report in the near future. Meanwhile we are informed that while operations in 1933 did not result in an improvement in earning power, the cash position of the company was strengthened. Prospects for the company are indefinite and unless there is a marked change one way or the other, it is difficult to say just how the bondholders will fare.

Canadian Cottons

Can you let me have a report on the preferred stock of Canadian Cottons? I have been told that this company is doing much better and that earnings are much higher than they were a year ago.

Canadian Cottons has substantially improved its position over the last eighteen months. Demand for cotton goods has increased to such an extent that practically all the cotton mills are operating at or near capacity. This, of course, has had a favorable effect upon earnings and it is expected that income for the year ended March 31, 1934, will show a marked improvement. Between 1930 and 1933, the company did not earn the dividend on its preferred stock. The payment was made out of liquid resources without unduly depleting working capital. For the fiscal year 1934, it is expected the financial statement will show the preferred dividend earned by a comfortable margin. This is indicated by the fact that the company has resumed dividend payments on the common stock. It is unlikely that such action would have been taken by the directors unless income was great enough to take care of bond interest and other senior charges.

Int. Hydro-Electric

I am interested in getting particulars on International Hydro 6 per cent bonds. I shall appreciate any information and particulars as to the safety and earning power of this bond.

International Hydro Electric System 6 per cent debentures rank after extensive obligations of subsidiary units. The income account for the last four years, however, has shown that interest charges have been earned after providing for all underlying obligations as well as depreciation, income and amortization charges.

Operations of the company and its subsidiaries have undergone an improvement over the past twelve months. This is due, in part, to a betterment in International Paper Co.'s pulp and paper operations. The associated companies are large purchasers of power and their operations have an important bearing upon International Hydro Electric System and its units. There is room for further improvement, but as already mentioned, the outlook has turned for the better in the past year.

Honey Dew

I hold some preferred shares of Honey Dew Ltd., purchased at $50 a share. I am not in need of income but would like to know what prospects there are for the company and whether appreciation in value of the shares can be expected.

From the public financing of Honey Dew, Ltd., in November, 1928, until the end of 1931, the company was able to earn and meet preferred dividend requirements of $105,000 per year. In 1932, the company had a loss of $13,504 after providing for depreciation of $71,908 and preferred dividends were passed. Experience of the company in the early part of 1933 was not satisfactory but reports would indicate that earnings increased in the latter part of the year and economies effected in operation and savings made on reduced rentals may enable the company to show better results for the year ended December 31, 1933, than were obtained in 1932.

Chief development on the horizon at the present time, is the result of the company's suit against former directors of the company. If this suit is decided in favor of the company, it would release it from the obligation of paying a balance of some $175,227 now overdue on the purchase of rights in the United States and might even permit recapture of amounts already paid. Improvement in general business conditions might be expected to result in increased sales through the company's numerous tea rooms while a hot summer would increase sales of Honey Dew.

Officials of the company are optimistic as to the result of their suit and if their optimism is justified the preferred stock might appreciate to a greater extent than it has done in the past month. On the other hand, if the court decision is adverse to the company, prospects are not bright for preferred shareholders unless there is a very decided upturn in business and profits.

Roby's Products

Both myself and family hold a number of shares in Roby's Products, Ltd. We have not heard anything of this company for some time and would like to know what are the prospects of getting our money out of it.

Roby's Products, Ltd., went into bankruptcy in July, 1932. At that time, those in touch with the situation said that it might be possible to meet the demands of creditors but there was virtually no possibility of shareholders receiving anything from the estate.

We understand that most of the assets of the company have been sold, and there has been no change in the opinion expressed in 1932, namely, that the shareholders have little or no hope of getting anything out of the company.

Guelph & Ont. Invest.

What is the financial position of Guelph & Ontario Investment & Savings Society? Is this company making any progress and what are their prospects for the future? Has this company a good liquid position?

The Guelph & Ontario Investment & Savings Society is an old-established company which was incorporated in 1876 and which operates in a rich, agricultural and industrial district. Up to the end of 1932, the company had maintained a strong, liquid position and during the first half of 1933 the ratio of liquid securities and cash to total deposits was increased. At June 30, 1933, this ratio was 78.88 per cent which compares with the average of 60.32 per cent for all loan and trust companies operating under the jurisdiction of the Ontario Registrar of Loan Corporations. At the end of 1932, the ratio of the company was 74.38 per cent.

At the end of 1932 the company had total assets of $5,301,508 and liabilities to the public of $3,385,829. In common with practically all loaning companies, there was some increase in arrears on interest on mortgages held and real estate held for sale increased as a result of the company taking foreclosure action in some cases where mortgages were in default for too long a period. The experience of the company, however, would appear to have been comparatively good and the ratio of total assets to liabilities to the public is higher than the average.

Shawinigan Cottons

Will you be good enough to let me have a review on Shawinigan Cottons? I hold some of this company's 6 per cent bonds and would like to know how it is getting along.

Shawinigan Cotton ceased to issue a financial statement after 1929. The company's figures are incorporated with those of the parent company, the Wabasso Cotton Co. Interest and principal on the bonds are not guaranteed by Wabasso.

Wabasso Cotton Co.'s consolidated financial statement for the year ended July 1, 1935, indicated a marked improvement in income, while working capital position was stronger than that reported for 1932. The amount of net earnings available for interest and depreciation charges in the 1933 fiscal year was $590,127. Against this, depreciation totalled $285,400 and bond interest $240,865.

Canada Northern Power

Please be good enough to let me know the current position of Canada Northern Power. The preferred stock of this company has been recommended to me for investment but before taking action I would like to have your opinion.

Canada Northern Power's operations and income have been steadily increasing owing to the marked development in gold mining in the Northern Ontario-Northern Quebec areas. Last year the company established a new record for production and earnings. It is expected that the financial statement will show all senior charges earned, together with a balance applicable to the common stock equivalent to about $1.25 a share. Demand for the company's services does not show any signs of slackening off.

Consolidated Oka

Would you be good enough to let me know what information you have on the current position of Consolidated Oka Sand and Gravel Co.? I have been told that the company has passed the interest on its funded debt.

Inasmuch as the first mortgage bonds of Consolidated Oka Sand and Gravel Company are in arrears as to interest, they can hardly be considered as an investment issue. They might be placed in the class of a business man's speculation.

With the marked decline in constructional activity, it has been very difficult for the company to earn its way. Revenues have dropped to such a point that it was necessary to forego interest on the bonds. At present operations are being carried on by a board of directors who meet regularly and every effort is being made to improve the finances of the company. Stringent economies have been put in force and efforts made to secure additional business. The latter are naturally handicapped by the lack of new construction and until such time as building is on a larger scale, it is to be expected that income of Consolidated Oka Sand and Gravel will be on a limited basis.

Southern Canada Power

Can you let me have some information on the preferred stock of Southern Canada Power Co.? Where does this company operate and have its earnings been satisfactory of late years?

Southern Canada Power's operations are confined to a territory known as the Eastern Townships of Quebec. This area has become highly industrialized. Gross earnings of the company reached their peak in 1931 with $2,355,111. Operations and earnings, of course, have been somewhat affected by conditions over the last two years. Gross income in 1933, however, at $2,114,720 was not far short of the record figure.

Over the last seven years the company has been able to show its preferred dividend earned by a wide margin. In the fiscal year 1933, $10.51 was earned on the preferred shares as against dividend requirements of $6 a share. In the previous year $11.33 a share was earned.

Commercial Alcohol

Please let me have a report on the operations and financial standing of Commercial Alcohol.

We are sorry that we are unable to give you an opinion on Commercial Alcohol, inasmuch as the management of this company has not seen fit to make public its financial statement. Until this decision is reversed, you will understand that it is out of the question for us to give you an opinion based upon fact.

I. P. and P.

I hold some of the preferred shares of International Paper and Power Co. Can you let me know what are the prospects for this company? I do not know whether to sell or hold on to my stock.

Over the last six months the position of International Paper and Power Co. has undergone an improvement. As you may know, the income of this company is derived from two main sources—power and pulp and paper. The power end of the company's business has shown signs of improvement both in Canada and the New England States. Marked improvement has taken place in the pulp and paper division and prospects are that revenues during 1934 will be greater than those reported in 1933.

Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

Slot Machines

Montreal police recently seized a consignment of 276 slot machines, which had been shipped to Montreal from the United States, branding these machines as a form of gambling. Police in other Canadian cities have staged similar raids in the past but there still remain in use many slot machines of the type seized in Montreal.

While the term slot machine can be broadly applied to include all forms of automatic vending machines, the term as generally used by newspapers applies only to machines that give forth slugs, which may or may not be redeemed for merchandise, and mints, gum or other articles. A simple adjustment permits the machine to be used as a gambling device, played with slugs or coins.

Description of the machines seized in Montreal, as reported in the Montreal Gazette, is as follows:

"Five cents was deposited; a lever was pulled, and three reels turned. Upon the reels were pictures of varied fruits. Upon the reels coming to a stop, and certain fruits being beside each other, was dependent the result of the game. A winner would receive brass disks—not unlike Chinese coins—upon one side of which was marked 'Of no commercial value,' and upon the other side, 'Good for amusement purposes only.' These disks could be used to play the machine again. Chief prizes were packages of mint candies."

Slot Machine Racket

That there are few more efficient ways of losing money than playing the modern slot machine is indicated in an article which appeared in Fortune in November, 1932, which gave some facts about an industry that publishes as little information as possible. It is estimated that in 1931 slot machines swallowed $150,000,000 in the United States as compared with $130,000,000 in 1929. How much of this was retained by the machines cannot be estimated for some operators might take up to 70 per cent, although manufacturers state that only 20 to 30 per cent is retained.

One United States company makes about 80 per cent of the slot machines placed on the market and sells at $150 to $200 a machine. Machines are made for the whole British Empire, China, Japan and Siam. Wealthy Chinese gentlemen in Singapore use machines that take $5 gold pieces; an Indian prince is reputed to have a machine in each room in his palace, including bathrooms.

Rake-off Varies

With a rake-off that is governed only by the cupidity of the proprietor, the operation of slot machines is so profitable that racketeers entered the field and one Police Commissioner of New York City said "These machines are racket borne and racket-made."

Machines are usually equipped with a little cotter pin and as long as this is in place all money deposited in the machine goes into the cash box and the customer receives packaged mints or sometimes slugs. To transform the machine into a gambling device all that is necessary is to remove the cotter pin, thereby allowing some coins to drop into the pay-out tube. Odds are determined less by the laws of probability than by the operator's adjustment of a complex array of levers, cams, gears and wheels.

In 1,000 plays on one machine, however, there was $250 paid into the machine of which $61.75 came back to the player in winnings, leaving a profit for the operator of $188.25. As the machines are usually adjusted, the article in Fortune states that the winning combinations are likely to come up as follows:

Combinations Paying		Times Appearing
2 for 1	Two cherries	35
4 for 1	Two cherries, lemon or bell	12
8 for 1	Three peaches, or bar and two peaches ..	7
12 for 1	Three plums, or two plums and bar ...	4
16 for 1	Three bells, or two bells and bar	3
20 for 1	Three bars	2

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Greene-Stabell

Will you kindly forward me some information regarding Greene Stabell? We understand that some of the stock in this company is being sold at 65 cents a share. What are the prospects of the shares being listed?

Green Stabell Mines is controlled by J. E. Hammell who was successfull in bringing the Howey property into production. The Greene Stabell property is located southeast of Siscoe Gold Mines which has been brought into successful production. Ore on the new property is said to have been developed to the extent of some $500,000 about the 450 foot level. A shaft has been sunk and the property is now being equipped with a 100 ton mill expected to be in operation shortly.

Further development work will be undertaken, it is understood. It is claimed that the Greene Stabell formation is similar to that of Siscoe and that ore which has been lost below the 450 foot level, will again be picked up lower down. Until the company develops further ore, the mine cannot be said to have a long future ahead of it. However, it is believed that an effort is being made to develop the property into a profit-maker.

Stock in the company is being sold to provide additional funds for the company, by H. R. Bain & Co., of Toronto. It is probably not likely that shares will be listed, as long as it is necessary to continue distribution by sales to the public in this manner. And if shares were listed, while distribution to the public was going on, it would mean that two prices for the stock would exist, or that the market quotation would be largely nominal.

Hollinger

Would you please give me some information on Hollinger? A broker has recommended it to me strongly, but I don't know whether the mine management is competent or whether the mine is really good.

Hollinger Consolidated Gold Mines has been one of Canada's largest mining enterprises. The company has been producing for the past 24 years. The company pays a dividend of 5c. a share every four weeks, making 65c. a share a year. In addition to this, dividends of 10c. a share extra were paid in 1932 and of 20c. a share extra in 1933.

Ore reserves of the company were not reported in full in 1932, but in 1931 amounted to over 6,000,000 tons valued at over $46,000,000. In 1932 some $3,200,000 of ore was proved up. In 1933 the company was able to earn more money ($1.22 a share) than in 1932 (82c. a share) because of the high premium on gold. As a result of this premium, the company has decided to launch a big scale exploitation of low grade ore to the south of the present mill.

This low grade ore is believed to be in sufficient quantity to supply the mill for some ten years, and perhaps more. This will call for mining on a basis of low grade ore, and low costs. The high premium on gold has extended the life of the mine and the value of its ore considerably.

The mine is operated by some of the most experienced men in this business in Canada.

Cuniptau Mines

I would thank you for some information regarding Cuniptau Mines. Is the company financed and has it proven up sufficient ore to warrant production being started? Would you consider it a good buy?

The company's holdings are in the prospect stage and the limited account of work done has not clearly defined them as having attractive possibilities. It is not a new discovery but one that has been known for many years without attracting the attention of experienced mining men. As a prospect it does not differ greatly from scores of prospects and at the present status involves speculation without any sound basis for guidance.

The sponsors of the company doubtless have good intentions and are asking the public to finance the undertaking the same as any company in a similar stage of promotion. The speculator has all the chances of rich rewards and all risks of total loss attendant on prospects in the initial stages of development.

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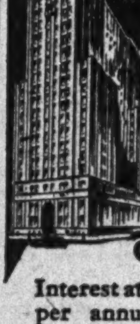

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New European Auto Has Engine in Rear

Engines in the rear is latest innovation in European automobiles. The new small Mercedes, product of Daimler-Benz, world's oldest automobile makers, has the four-cylinder motor mounted at the rear of the tubular frame. The rear lines of the car follow the modern trend in streamlining.

The car retains the front hood as a gesture of tradition, the space beneath this hood being used for luggage and spares. A rather interesting point about this car is that all wheels are independently spring equipped.

Demand for Flour

Flour ground from Canadian wheat was exported in 1933 to 79 countries. The total shipments amounted to 5,570,424 barrels valued at $19,016,753 compared with 5,131,781 barrels in 1932 worth $17,182,775. Four new markets were developed last year—France, Portugal, Salvador and Alaska. Canada's best individual customer for flour in 1933 was Great Britain, which took 2,438,447 barrels as compared with 2,285,951 barrels in 1932.

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British Investment Gains But U.S. Stake Declines

Net Position of Foreign Capital at Year End Shows Decrease According to Business Year Book Figures

By KENNETH W. TAYLOR, M.A.,
Associate Professor of Economics, McMaster University

Total investments of British and foreign capital in Canada at January 1, 1934, are estimated at $6,391,410,000, a decrease of $32,883,000 as compared with the revised figure of $6,424,293,000 for January 1, 1933, according to annual figures prepared for The Financial Post Business Year Book. These figures do not include short term loans (i.e., one year or less). No changes have been made in recent years to allow for fluctuations in the market values of investments on industrial property.

So far as they are ascertainable, the additions each year are the actual sums invested, and the deductions are the actual amounts repaid, repurchased or finally cancelled. It is understood that the Dominion Bureau of Statistics is at present undertaking a complete revision of all its basic estimates, and that these important figures will be available some time during 1934.

Changes During Recent Years

The changes that have taken place during 1933 and the net change for each of the past seven years are summarized in the following table. New issues are exclusive of refunding issues, as well as of short term financing. The amounts are estimated from the selling or issue prices and not from the nominal or par values.

Changes in Foreign Investments in Canada, 1933
(In thousands of dollars)

	Total ($000)	Great Britain ($000)	United States ($000)	Other Countries ($000)
New issues sold abroad	75,000	75,000	......	......
New invests. (branch plants, etc.)	10,570	4,035	6,535	......
Total new investments	85,570	79,035	6,535	......
Repayments, redemp., withdrawals ..	118,453	36,653	81,450	950
Net change, 1933	—32,883	+42,982	—74,915	—950
1932	—45,580	+10,565	—55,025	—1,120
1931	—8,004	—9,511	—9,926	+11,433
1930	+351,920	—23,167	+381,058	—5,971
1929	+233,579	+70,086	+154,918	+8,575
1928	+133,714	—29,107	+160,938	+1,883
1927	+266,805	+31,882	+226,097	+8,826
Total (7 years)	+899,551	+93,730	+783,145	+22,676

During 1933 not a single Canadian issue was placed in the United States (the $60,000,000 of one year notes was both refunding and short term). This is probably the first year since the beginning of this century that such has been the case. Only one issue was sold outside of Canada, and that was the £15,000,000 four per cent loan placed in London, in July. This is the largest Canadian issue placed in the London market since before the war.

Many New Branch Plant Investments

New direct investments were chiefly in branch plants. Some sixty-five new foreign branch plants (or extensions to old ones) have been noted. Fourteen of these were British, representing an investment of about $3,750,000. Branches or extensions of textile companies accounted for $3,250,000 of this. American branch plants numbered fifty-one. All of them were quite small beginnings and the total new investment is estimated at $15,000,000.

Few changes in foreign control were reported in 1933. International Paints (British controlled) acquired the A. Ramsay & Son Co., Vickers purchased the Hamilton Co., of Peterborough. On the other hand, a Canadian syndicate purchased the Canadian units of the Bowles Lunch Co., previously owned in the United States.

Fewer Bank Shares Held Abroad

The Macmillan report on banking in Canada gives figures showing that fewer bank shares are held outside Canada than had been commonly supposed. The annual report of the Canadian Pacific Railway for 1932 showed a considerable increase in British holdings of the common stock. The percentages for December 15, 1933 and 1932, are as follows:

	C. P. R. 1928	C. P. R. 1932	All Canadian Banks 1932
Canada	17.5%	19.5%	72.9%
Great Britain	42.9%	46.3%	9.6%
United States	33.1%	28.0%	14.6%
Other Countries	6.5%	6.2%	2.9%

It is always difficult to estimate the volume and balance of the sales of "old" securities across the borders. During 1933 the volume was not large, and on balance, Americans were sellers rather than buyers of Canadian securities. There was some transfer of funds to Canada and Canadian securities by timid Americans. The "three-way bonds" (payable in Canada, London or New York, at the holders' option) were in considerable demand. Canadian gold mining stocks appear to have gone abroad only in very moderate quantity. On the other hand, as the Canadian dollar approached and finally crossed parity in New York, there was a considerable volume of selling of Canadian bonds by owners who had bought when the Canadian dollar was down or who were afraid of future fluctuations.

Repayments and redemptions are estimated to be about $80,000,000 (excluding maturities refunded). Repurchases and withdrawals were between $35,000,000 and $40,000,000.

The following table gives the figures for British and foreign investments in Canada at January 1, 1934:

British and Foreign Investments in Canada, January 1, 1934
(In thousands of dollars)

	Total	Great Britain	United States	Other Countries
Govt. and municipal bonds	1,341,067	516,226	814,041	10,800
Railways	1,695,764	908,223	751,274	36,267
Public utilities	657,070	104,527	537,059	15,484
Pulp and paper and lumber	511,718	68,639	439,734	3,845
Mining	296,100	55,800	229,500	10,800
Metal industries	553,141	45,326	496,721	11,094
All other industries	482,867	175,244	292,800	14,823
Trading and service establishments ..	240,650	73,150	162,650	4,850
Financial institutions 161	190	192 209	255	279 285
Total	6,391,410	2,248,893	3,967,937	174,580

The next table gives, in millions of dollars, British and foreign investments in Canada at January 1 in each year back to 1927:

British and Foreign Investments in Canada, January 1, 1927-1933
(In millions of dollars)

	1927 $	1928 $	1929 $	1930 $	1931 $	1932 $	1933 $
All Countries:							
Govt. & municipal bonds	1,191	1,200	1,179	1,185	1,308	1,307	1,305
Railways	1,440	1,505	1,538	1,675	1,738	1,751	1,726
Public utilities	560	594	573	628	704	691	678
Pulp & paper & lumber	396	475	511	520	560	527	519
Mining	215	226	274	282	295	295	295
Metal industries	542	543	562	547	558	562	558
All other industries	453	469	490	492	475	477	479
Trading and service establish. ..	209	223	235	250	250	247	245
Financial institutions	161	190	192	209	255	279	285
Land and mortgages	325	334	338	338	340	334	331
Total (all countries)	5,492	5,759	5,892	6,126	6,478	6,470	6,424
British Investments:							
Gov't. and municipal bonds	496	479	476	477	466	454	455
Railways	862	867	871	889	898	908	915
Public utilities	152	153	107	117	131	116	114
Pulp & paper & lumber	68	76	76	75	75	71	69
Mining	32	35	49	53	53	53	56
Metal industries	42	42	43	46	46	46	46
All other industries	167	172	178	179	173	172	173
Trading and service establish. .	51	60	61	75	75	74	74
Financial institutions	98	113	108	118	97	110	112
Land and mortgages	187	190	189	189	191	191	192
Total (British)	2,155	2,187	2,158	2,228	2,205	2,195	2,206
United States Investments:							
Gov't. and municipal bonds	684	709	692	696	825	842	839
Railways	550	609	638	743	806	806	775
Public utilities	395	428	453	497	557	558	548
Pulp & paper & lumber	320	393	428	438	478	453	447
Mining	178	185	217	220	234	232	228
Metal industries	490	490	509	490	501	505	501
All other industries	276	284	298	298	288	289	291
Trading and service establish. ..	154	158	169	170	170	168	166
Financial institutions	50	62	70	77	151	153	157
Land and mortgages	88	93	98	98	98	92	91
Total (United States)	3,185	3,411	3,572	3,727	4,108	4,098	4,045
Other Countries:							
Gov't. and municipal bonds	11	11	11	11	11	11	11
Railways	28	29	29	33	33	37	36
Public utilities	13	13	13	15	16	16	16
Pulp & paper & lumber	7	7	7	7	7	4	3
Mining	5	7	8	9	9	11	11
Metal industries	10	10	10	11	11	11	11
All other industries	10	14	15	15	14	15	15
Trading and service establish. ..	5	4	5	5	5	5	5
Financial institutions	13	15	13	14	7	16	16
Land and mortgages	50	51	51	51	51	51	51
Total (other countries)	152	161	162	171	165	177	175

A final table gives the British and foreign investments in Canada in 1867 and annually since 1899. The figures from 1900 to 1913 are based on statistics collected by Viner in his book "Canada's Balance of International Indebtedness, 1900-1913." The figures from 1925 to 1930 are the official Dominion Bureau of Statistics estimates. 1919-1924 and 1931-1933 are careful estimates by the writer. The figures for the war years and for 1867 are very rough estimates based on very sketchy data.

British and Foreign Investments in Canada
(In millions of dollars)

End of Year	Total $	Great Britain $	United States $	*Other $	End of Year	Total $	Great Britain $	United States $	*Other $
1867	140	130	10	..	1916	4,081	2,300	1,600	181
1899	1,118	963	150	5	1917	4,184	2,100	1,900	184
1900	1,149	973	168	8	1918	4,227	2,090	1,950	187
1901	1,186	988	186	12	1919	4,407	2,100	2,118	189
1902	1,228	1,000	209	19	1920	4,555	2,091	2,277	187
1903	1,283	1,029	231	23	1921	4,738	2,106	2,447	185
1904	1,345	1,059	257	29	1922	4,855	2,120	2,549	186
1905	1,457	1,135	289	33	1923	4,982	2,134	2,661	187
1906	1,562	1,203	319	40	1924	5,100	2,146	2,781	173
1907	1,657	1,268	345	44	1925	5,241	2,166	2,900	175
1908	1,879	1,449	378	52	1926	5,492	2,155	3,185	152
1909	2,133	1,662	414	57	1927	5,759	2,187	3,411	161
1910	2,446	1,880	487	79	1928	5,892	2,158	3,572	162
1911	2,794	2,124	563	107	1929	6,126	2,228	3,727	171
1912	3,115	2,339	645	131	1930	6,478	2,205	4,108	165
1913	3,663	2,715	780	168	1931	6,470	2,195	4,098	177
1914	3,915	2,900	840	175	1932	6,424	2,206	4,043	175
1915	3,968	2,700	1,090	178	1933	6,391	2,249	3,968	174

*Other countries.

Gypsum Production In November Higher

The Canadian production of gypsum in November of 70,181 tons was the highest monthly total on record since July, 1932, according to a report issued by the Dominion Bureau of Statistics at Ottawa. In October 30,059 tons were produced and in November, 1932, the production was 27,657 tons. During the eleven months ending November Canada's gypsum output totalled 363,374 tons as compared with 418,978 tons in the corresponding period of 1932.

Canada Proudly Fulfils Obligations Surmounting All Difficulties

Canada Permanent Stronger in 79th Year of Operation

Increased Deposits Show Public Confidence

The Annual Meeting of the Canada Permanent Mortgage Corporation was held at the Head Office, Toronto, on February 2.

ADDRESS IN PART OF PRESIDENT MR. W. G. GOODERHAM

The year upon which we now look back was the most difficult and trying experienced during the present long period of world-wide dislocation of the economic structure. It was never uninteresting and contained much that was perplexing and disappointing, combined with not a little encouragement.

In the early part of the year confidence was greatly disturbed by the debacle which took place among the Banks of the United States during the course of which there were thousands of failures, resulting in the loss to depositors of millions of dollars, and culminating in a general banking holiday, and the entire suspension of banking facilities. Many Banks closed last March have not yet reopened. As a most significant contrast to the confusion in which the business of the United States was thus precipitated, and notwithstanding our proximity thereto and our many close associations therewith, Canada proudly surmounted all these dangers and not a door was closed of any of its Banks or other depositary institutions, nor a dollar lost.

CANADA'S CONTRACTS HONOURED

In this connection, Canada may recall with considerable satisfaction that all through the months and years when its dollar was at a discount in U.S. funds, sometimes as much as twenty per cent or more, it met every indebtedness to United States investors with the equivalent of gold. Bond maturities were heavy during this period, and the aggregate cost of this strict fulfillment of their obligations was very great, but neither the Dominion nor any of its Provinces, nor with a single exception any Town or City, asked for any consideration.

Great hopes were entertained of some constructive decisions from the deliberations of the World Economic Conference which assembled in London in June, especially in view of the preparatory discussions held in Washington at which the Premiers of Great Britain, France and Canada conferred with the President of the United States. It was probably somewhat optimistic to expect that the representatives of sixty-six Countries from every quarter of the globe could harmonize their conflicting views and diverse interests, but it was felt that the importance of affording relief to a sick world was sufficiently realized to ensure some mutual concessions for the advantage of all. The comparative failure of the Conference was a great disappointment though it appears that the work began at Ottawa in 1932 was continued and further mutual understandings reached which will be of assistance in strengthening the reciprocal arrangements between the component parts of the British Empire.

EXPERIMENTS HINDER TRADE AND BUSINESS RECOVERY

The various forms of economic changes with which our neighbors have been experimenting since they went off the gold standard, and the consequent uncertainty as to what they may portend, have created an instability in the exchanges between nations which has rendered difficult the conduct of international trade. The return of confident trading seems to await information as to the basis upon which currencies are to be stabilised and when that stabilisation is to take place.

After a concise but comprehensive review of business conditions, in which he drew attention to a number of indications that recovery had begun, and which will appear in full in the Report to be distributed to the Shareholders, Mr. Gooderham continued:

With the machinery of international trade clogged as it is, it would be idle to attempt to say whether the improvement in business to which I have drawn your attention will proceed to a complete recovery. There will doubtless be interruptions. A larger number of men are being employed in the United States, and trade and industry are showing signs of recovery. Whether this would have taken place either more or less rapidly if the ordinary process of improvement which had begun last spring had been allowed to take its regular course, without the confusion and uncertainty created by the artificial measures with which attempts were made to stimulate it, who can say? World recovery is dependent upon a satisfactory solution of many problems, and the experiments being made are not contributing to their solution. Its proximity renders Canada particularly sensitive to changing conditions in the neighbouring Country and neither they nor we can make the progress we hope for till the trade channels of the world again display an activity which has been too long absent.

DIFFICULTIES OVERCOME ENHANCE REPUTATION

The General Manager will discuss the Financial Statement with you and I shall, therefore, refrain from more than very brief comment thereon. I must, however, make it clear that taking into consideration the lengthy period of anxiety through which we have passed, which has continued much longer than anyone could have anticipated, my fellow Directors and I all agree that it is one which should afford us the fullest measure of satisfaction. The only certainty about the recovery which appears to have begun is that its progress will be gradual and anyone is unwise who ventures to predict how soon it may bring about the necessary appreciation of values and reinstatement of purchasing and paying ability. In the conduct of the Corporation's business we have followed the conservative policy which has always guided the destinies of the "Canada Permanent" during its long life of nearly eighty years and which has brought it through many periods of severe trial and difficulty with renewed strength and enhanced reputation.

ADDRESS IN PART OF FIRST VICE-PRESIDENT AND GENERAL MANAGER, MR. GEORGE H. SMITH.

Notwithstanding the continuance of public borrowing on a large scale and the consequent withdrawals by our depositors for investment in Dominion, Provincial and Municipal Bonds, as well as withdrawals occasioned by the unfortunate necessity of drawing upon their savings for current needs, our deposits show a small increase of about $50,000. Debentures payable in Canada increased by $337,000, considerably more than offsetting a slight decrease of $87,115 in the aggregate of British funds.

LIQUIDITY RATIO VERY HIGH.

We increased our holding of Dominion and Provincial Bonds, including Government guarantees, by upwards of $300,000, while Municipal and other Bonds are reduced by $213,275. Stocks owned in which are included our shares in The Canada Permanent Trust Company, are less by $226,284. Cash has increased by $561,862. Our liquid position is very strong as, including cash and only readily negotiable securities at present market values, it is equal to 68 per cent. of our total deposits.

In view of the uncertainties which existed throughout the year, particularly as to calls which might be made upon their funds by depositors and debentureholders, it was necessary to maintain liquid assets and cash to a more than usual amount, which adversely affected our profits. These profits were, however, influenced to a greater extent by our somewhat severe treatment of interest earned. After more than four years of unprofitable business throughout the Country, increasing unemployment, depreciation of values and losses from various causes, it was only to be anticipated that the number of borrowers who found it difficult or impossible to meet the obligations they had undertaken would increase. In the earlier years of this difficult period we had been not only gratified but surprised at the manner in which the large majority of our customers had paid their interest and reduced their principal. They splendidly displayed their intention to redeem their homes and afforded very satisfactory evidence of the care with which not only our securities, but our borrowers as well, had been selected. The cumulative effect of an unforeseen period of stress and strain, however, became increasingly evident during 1933. As these borrowers again get on their feet there is no doubt they will, in the vast majority of cases at least, overtake present arrears of interest. Meanwhile, we have considered it prudent to largely follow the practice of taking credit for interest actually received, while we are gladly assisting deserving customers by tiding them over their difficulties.

Our mortgage investments aggregate $1,647,490 less than at the close of 1932. The aggregate of all our mortgages on farm properties throughout the Dominion remains at about 23 per cent. and on City properties at 77 per cent. The receipts on account of principal totalled $2,193,725, while interest actually received amounted to $2,891,012. Our average mortgage is about $3,000. Omitting Ontario and Quebec, the average is $1,905.

PAYMENTS ON PRINCIPAL MADE BY 88% OF MORTGAGORS.

While on the subject of our mortgage investments, I think you may be interested in some statistics I had prepared for my own information. For the $54,340,504 we hold 18,100 first mortgages, all on improved productive real estate. Of these no less than 15,969, or 88 per cent. are reduced from the sum originally loaned. This applies in a greater or lesser degree to every Branch. At one Branch there is only one account which is not less than the sum loaned, at another only six and at another only ten. At our largest Branch, of 7,545 mortgage accounts, 6,915 are now less than the sums advanced. Even at the Saskatchewan Branch, 2,499 out of a total of 3,125 accounts have been reduced. A most interesting fact is that of 1,772 mortgage loans on City properties in Manitoba, Saskatchewan and Alberta, 1,752, or practically 99 per cent., are reduced and that very materially. The aggregate of the original amounts of the loans on our books was $67,510,372 and they have, therefore, been reduced by more than $13,000,000. It is this practice of providing in our mortgages for gradual annual, semi-annual or more frequent repayments which the mortgagors are usually glad to make when they have the ability to do so, that has enabled us with comparative safety to carry those borrowers through a period when they found it difficult or even impossible to pay.

After presenting a detailed analysis of the Corporation's investments, and some very significant statistics relating to the growth of The Canada Permanent Trust Company, the General Manager proceeded with his address as follows:

PAST-DUE INTEREST NOT IN ASSETS.

I have referred to our cautious and conservative treatment of interest earned. As evidence of this I may add that the past due interest not taken into either profits or assets amounts to considerably more than One million dollars, and the mortgages upon which we did not take credit for any interest in 1933 aggregated several millions of dollars. Much of this interest, now past due, will undoubtedly be recovered in time, and as conditions improve we shall, in addition, feel justified in gradually reducing the list of accounts which in the meantime are not contributing to our earnings. When this profit-earning power will return depends upon the rate at which the business recovery progresses. In the meantime, these large sums are held in reserve, in addition to the amount by which we have reduced the reserve fund, and together we believe you will consider they form a more than ample protection against much greater vicissitudes than can possibly be foreseen or imagined.

TAXATION STRANGLING BUSINESS.

I should be extremely negligent if I were to omit to remind you of the extent to which your profits have been impaired by steadily increasing taxation. One cannot but be amazed at the seeming complacency with which Shareholders in companies of every kind view the continually increasing volume of public debt, and the rapidly mounting taxation necessitated thereby. Apart from taxes on real estate, our taxation in 1933 was 21.52 per cent. of our net profits and 2.24 per cent. of the paid-up capital. Twenty years ago this item was so negligible as to reduce profits by only 1.47 per cent., and was only one-fifth of one per cent. of the capital at that time.

INTEREST OF ALL CITIZENS AT STAKE.

Till our Shareholders and Citizens can be brought to realize the extent to which taxation is strangling business, it is not to be expected there will be much relief. The seeming indifference may be traced to a medieval concept that "the State is rich," dating from the time that the State possessed vast domains productive of revenue. To-day, the average State is no richer than the combined possessions of its citizens. Its income comes almost exclusively from taxation, and is, therefore, derived from the individual incomes of its citizens. Every consumer in the Country contributes to the budget whether he makes out an income tax return or not.

NATIONAL "OVERHEAD" UNBEARABLE.

It is begging the question to say that governmental bodies can do very little to remedy the situation. It is not necessary to charge culpable extravagance. The statement that Canada is ridiculously over-governed is not a new observation. In our system of nine provincial governments, as well as a federal government, there is most appalling overlapping and worse than duplication of services What business would or could stand the enormous overhead of ten different departments collecting at great expense information on the same subject and purporting to regulate the same affairs? And, then, ten other departments all dealing with another set of affairs? And, how many others?

It is also generally admitted by those who are disinterested that the number of Provinces could advantageously be reduced to five. A merger of the three Prairie Provinces, with their similar problems, was suggested some time ago by one of our Premiers. Meantime, the Western Provinces have found it necessary to appeal to the Dominion for assistance, which we understand is to be given—and we believe quite properly. The Dominion may, however, with equal propriety, make the granting of this relief conditional upon the Provinces giving effect to certain designated economies. As you know, as long ago as 1864 the Charlottetown Conference was convened with the object of merging the three Provinces by the sea, that object having later been lost sight of in the greater project of Confederation. It is, however, of even greater importance now, and after its Rip Van Winkle repose for seventy years might very well be aroused to action.

The boundaries of our Township Municipalities and Counties were set at a time when the method of transportation was the slow moving horse and buggy requiring much time to travel short distances. Both Municipalities and Counties could with advantage be reduced probably to one-third their number.

If there were a realization on the part of those most deeply concerned of the seriousness of the present situation and the necessity for such action as business men would take to meet it, a conference of representatives of all the interested bodies, meeting around a table with a determination to remove the costly and absurdly unbusiness-like conditions under which our ten millions of people are overgoverned, could arrive at a solution of the problem. Whether this would necessitate a revision of the British North America Act, as was recently suggested by the Premier of Ontario, would be for those versed in the subject to determine, but, if so, the sooner they set about it the sooner will Canadian business be afforded the relief it must have.

TAXATION STOPS CONSTRUCTION, CREATES UNEMPLOYMENT.

It is to be regretted that taxation in some provinces which amounts almost to confiscation, combined with discriminatory legislation impairing the position of the first mortgage and the contractual rights of the lender, have tended to so greatly discourage the loaning of money on real estate as to result in the practical discontinuance of construction, which is one of our most important industries. When there is little or no new construction, the unemployment extends far beyond the trades which are actually engaged in erecting residences and business premises, while a fair volume of new construction always makes the chief contribution to prosperous conditions. It may safely be said that there has not been and cannot be any period of continued prosperity when there is an absence of activity in this very important industry.

"RELIEF FOR DEBTORS" IS CONFISCATION OF SMALL SAVINGS.

A small but extremely vocal minority has of late been clamouring for undue consideration to be shown to debtors, even to the extent of a writing down of the creditors' claims. There is an occasional faint echo of these demands in unexpected quarters where apparently there exists some misapprehension that the importance of the agitation is in proportion to the noise with which it is conducted. If the intention of the promoters of this agitation is to put lending companies out of business, and if there is any misguided or uninformed politician who feels that he has a mission to become a twentieth century Robinhood, in the belief that a policy of despoiling these companies is good politics, it may be well that he and the public be informed as to who these lenders are.

While a respectable amount has been loaned by private individuals, who have sought this form of investment for their savings, their number is necessarily limited. For one who accumulates sufficient to make a mortgage loan, hundreds can only save comparatively small sums. The chief lenders on real estate are the Trust, Loan and Life Insurance Companies. Carefully compiled statistics show that the average deposit in our Trust and Loan Companies is $370, while the average interest of the policy holders in Life Insurance Companies is less than $400. The institutions, by gathering together the small savings of the thrifty in every walk of life, have provided the organization which in effect has enabled these millions of saving people by co-operation to furnish the loans the borrowers were eager to obtain and which could not otherwise have been supplied. It will thus be seen that when one of these Companies makes a loan of say $2,000, it is lending the savings of five or more of these depositors, which they have accumulated by years of toil and thrift, probably by much sacrifice. Apart from the immorality of the transaction, would it improve the situation to destroy the economic underpinnings of millions of depositors and policy holders by confiscating their funds for the benefit of one-fifth of the number of mortgagors? As a matter of experience, only a small percentage of these borrowers desire or would willingly accept any such an unfair advantage as is suggested. The vast majority have a sense of responsibility for their obligations, a pride in the fact that their word is as good as their bond, a desire to demonstrate the honesty of their intentions, and too much self-respect to permit them to profit at the expense of their neighbors, many of whom are no doubt making an even greater struggle to breast the storm and to make some small provision for their old age and that of their loved ones. The borrowing class as a whole have little sympathy with destructive proposals of this nature, preferring to cherish their old-fashioned sturdy sense of honour.

EXPERT DRIVING NEEDED ON ROAD TO RECOVERY

With a few observations concerning the future, I shall conclude. The experience of recent years has taught us that it is dangerous to make predictions. There are undoubted indications of a betterment in Canadian trade. The question to which we should like an answer is whether the improvement may be expected to continue without serious interruption? Canada is fifth among the nations in world trade. We are, therefore, vitally interested in world conditions, which are much disturbed and the outlook for international trade, in the near future at least, remains obscure.

It would appear that it must continue so till some of the economic absurdities which affect it be removed. The aim of every nation is apparently to sell its goods abroad and to buy nothing in exchange. Tariff walls have been raised higher and higher, and there have been set up the further barriers of quotas and embargoes, to which are now added the uncertainties created by exchange instability. Foreign lending by creditor nations, a policy which for a century contributed enormously to Britain's foreign trade, as it has in later years and in a lesser degree to that of other Countries has been practically discontinued. With the possible exception of the war debts, which we may probably expect to disappear as an item of international finance, all the obstructions to trade with which the world entered the depression have not only been retained but increased in number and magnitude. Till at least some of these obstructions be removed or curtailed, the prospect of business regaining a satisfactory level would appear to be somewhat remote. One international conference, which had as its object the removal of such obstructions, failed to achieve its purpose. The necessity remains and must in time be more fully recognized and action taken. Meantime, the improvement which has taken place in business in Canada, as well as in Great Britain and the United States, gives everyone hope and inspires us with confidence that we have set out on our way to recovery. The journey may not be easy and will almost certainly be slow. On the road we may have to negotiate "dangerous curves" and "steep hills," which may not be too well marked. There may be a number of detours, as much of the highway is in process of reconstruction. Careful and expert driving will be necessary. But we have lost neither courage nor determination, and let us hope have gained much from our experiences. That we shall arrive in due time, no true Citizen of Canada can possibly doubt.

CANADA PERMANENT

Mortgage Corporation

Annual Statement, Year Ending December 31, 1933

ASSETS

OFFICE PREMISES: Toronto, Winnipeg, Vancouver, Saint John, Edmonton, Regina, Halifax, Woodstock, (Ont.), and Brantford, (Ont.)		$ 4,326,500.00	
REAL ESTATE held for sale		1,154,105.82	
MORTGAGES ON REAL ESTATE:			
Principal	$ 52,517,752.46		
Interest	1,822,751.91		
		54,340,504.37	
LOANS ON BONDS AND STOCKS		98,617.16	
BONDS AND STOCKS OWNED:			
Bonds of Dominion of Canada and Provinces of Canada..		3,580,932.38	
Bonds guaranteed by Dominion of Canada or Provinces of Canada		877,328.80	
Bonds of Canadian Municipalities		1,053,228.39	
Bonds guaranteed by City of Toronto		189,069.57	
Other Bonds and Debentures		369,646.83	
Stocks, including $980,000.00 of The Canada Permanent Trust Company at par		1,747,571.00	
CASH in Chartered Banks and on Hand		3,034,717.78	
			$ 70,772,222.10

LIABILITIES

To the Public—		
Debenture Stock and Accrued Interest (£163,136 16s. 5d.)	$ 793,932.52	
Debentures—Sterling—and Accrued Interest (£2,400,708 3s. 2d.)	11,683,446.37	
Debentures—Currency—and Accrued Interest	28,897,210.38	
Deposits and Accrued Interest	14,658,295.66	
Reserve for Dominion Income Tax payable in 1934	100,000.00	
Sundry Accounts	10,696.39	
		$ 56,143,581.32
To the Shareholders—		
CAPITAL STOCK subscribed and fully paid	$ 7,000,000.00	
RESERVE FUND	7,000,000.00	
DIVIDEND payable 2nd January, 1934	140,000.00	
BALANCE carried forward at Credit of Profit and Loss	488,640.78	
		14,628,640.78
		$ 70,772,222.10

PROFIT AND LOSS ACCOUNT

BALANCE AT CREDIT OF PROFIT AND LOSS December 31st, 1932	$ 533,448.73
NET PROFITS for the year, after deducting interest on borrowed capital and expenses of management, after paying all Taxes due and providing for all accrued Taxes and after making full provision for all charges and losses, amounted to	730,192.05
Making available for distribution	$ 1,263,640.78
Appropriated as follows—	
THREE QUARTERLY DIVIDENDS of two and one-half per cent. each on the paid-up Capital Stock	$ 525,000.00
ONE QUARTERLY DIVIDEND of two per cent. on the paid-up Capital Stock	140,000.00
WRITTEN OFF OFFICE PREMISES	110,000.00
BALANCE carried forward at credit of Profit and Loss	488,640.78
	$ 1,263,640.78

Head Office: CANADA PERMANENT BUILDING, 320 Bay Street, Toronto

Branch Offices: Toronto, Woodstock and Brantford, Ont.; Winnipeg, Man.; Regina, Sask.; Edmonton, Alta.; Vancouver, B.C.; Saint John, N.B., and Halifax, N.S.

FURTHER GAINS SEEN IN REPORT OF MELCHERS

Bank Loans and Mortgage Were Liquidated in 1933

From Our Own Correspondent

MONTREAL.—Reduction in the excise tax has stimulated sales in the domestic market with consequent benefit to Melchers Distilleries, Ltd. The financial statement of the company for the year ended December 31 last does not include an income account so that there is no definite way of telling what profits were made by the company. The balance sheet, however, holds some encouragement for the shareholders for it shows that during the year the company wiped out a bank loan of $195,000, a mortgage of $4,000, while the earned surplus shows a slight increase.

At the end of last year the company had assets totalling $3,946,237 compared with $3,776,414 at the end of 1932. As already pointed out, bank loans and mortgages payable have been liquidated. Current accounts remain much the same as a year ago. A new item in the balance sheet is one of $359,503 which represents the balance as at January 1, 1933, of inventory reserve provided out of capital at the end of 1931, not now required and returned to capital account in accordance with the resolution of the directors.

Examination of the assets shows goodwill, unchanged at $1,595,200. There is practically no change in the fixed assets which are valued at $1,438,332. Inventories have increased from $670,828 to $843,187 while accounts receivable and cash on hand combined are about the same as at the close of 1932.

In presenting the report to shareholders, Hon. Victor Marchand, president, had the following to say in part:

"Owing to the repeal of prohibition in the United States the prices of American type whiskies have increased considerably. The liquor industry in that country, however, is still in a chaotic condition. There still prevails much uncertainty as regards the various individual state laws governing methods, taxes, quotas, licences, etc., so that your company has not been over anxious as yet to make any definite arangements covering the distribution of its products. Nevertheless, negotiations with reasonable parties are continually taking place, and the disposal of our goods is engaging the constant attention of your directors. Moreover, there exists an extreme shortage of aged whiskies, so I therefore have no doubts whatsoever that the company will be able to dispose of its products at attractive prices. Consequently, as soon as such sales materialize, I feel confident that your company will be in a position to resume the payment of dividends."

Evaporated Milk Exports Gaining to Empire

Evaporated milk nowadays comes next to cheese in importance among the exports of milk products. It is a commodity which is growing in favor abroad. During 1933 the total export, most of it going to Great Britain, amounted to 188,194 cwt. of the value of $1,305,353 compared with 136,715 cwt. at $989,791 in 1932. Canadian evaporated milk travels to far lands; to Asia, Africa, the South Seas and the Latin countries of South America.

Condensed milk appears to have been losing a little of its former popularity, for the export in 1933 was 42,495 cwt. at $426,146 against 73,411 cwt. at $743,837 in 1932. Milk powder, however, is a growing export. In 1933 it amounted to 46,317 cwt. at $365,654 compared with 37,472 cwt. at $364,271 in 1932.

HUDSON BAY MTGE. EARNINGS DECLINE

Most Loans Have Been Extended or Are in Arrears

Net profit of Hudson Bay Mortgage Co., Vancouver, was $3,242 in 1933, a return of 3.1 per cent on paid-up capital of $102,720. In 1932, net profit was $4,412, or 4.3 per cent on capital. Assets of the company remained practically unchanged at $117,970. Loans on mortgages are shown at $92,421 and the statement of the auditors indicates that with but one exception all loans have been extended or are in arrears while in some cases proceedings for foreclosure are pending. Interest accrued is down to $2,896 from $31,185 while interest in arrear is up to $4,599 from $1,959. Properties, less reserve, are carried at $13,509. Cash is shown at $2,608.

The balance sheet shows no liabilities to the public. There are 6,220 shares of $10 par value stock outstanding and 4,052 shares of $10 par ordinary stock. General reserve is $3,439 and surplus is $11,207. Preference dividends are in arrears to the amount of $9,952.

Record of the company for the past six years is as follows:

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate* $	Rate Earned %
1928	102,720	5,097	70c.	4.9
1929	102,720	4,337	70c.	4.7
1930	102,720	4,828	70c.	4.7
1931	102,720	4,915	70c.	4.8
1932	102,720	4,412	...	4.3
1933	102,720	3,242	*50c.	3.1

* Paid on $62,200 of 7% preferred shares, par $10.

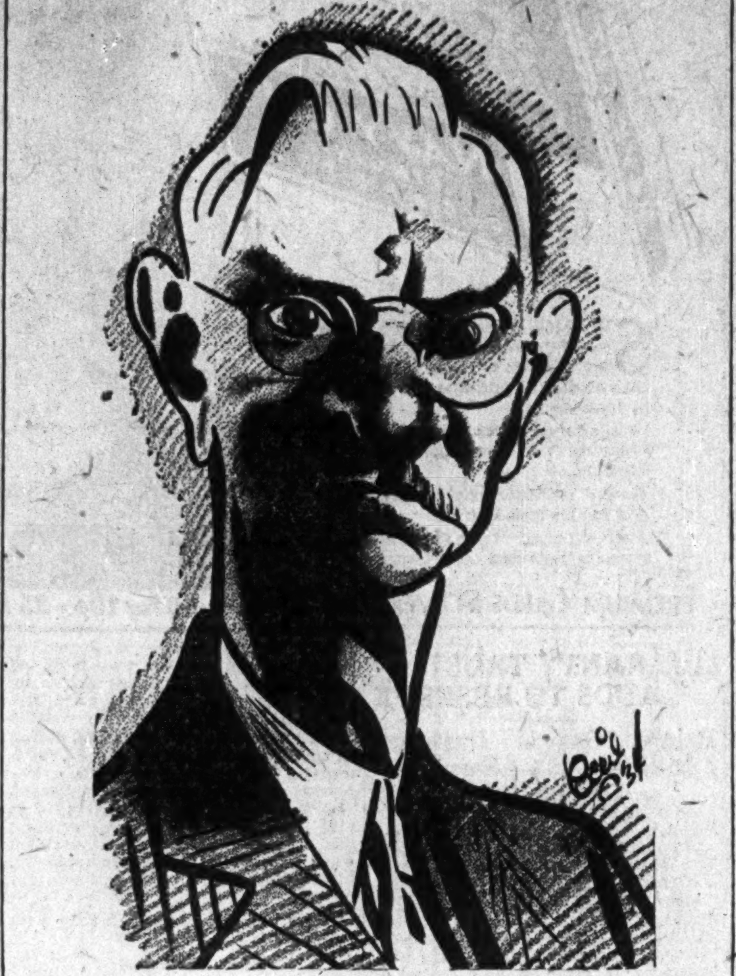
Year	Total Assets $	Reserve Funds $	Mtge. & Real Est. Loans $
1928	110,803	2,282	93,210
1929	112,469	3,464	94,650
1930	112,890	3,464	96,200
1931	113,426	3,439	97,100
1932	117,838	3,439	93,367
1933	113,970	3,439	92,421

* Paid on $62,200 of $10 par value preference shares on account of 1931 operations.

Planning and Organization C. H. Carlisle Success Secret

New President of Dominion Bank Has Strong Historic Sense — Business Policies Gauged for Long Swing

By WELLINGTON JEFFERS



—Caricature by Cecil.

CLIFTON H. CARLISLE

C. H. Carlisle, the new president of the Dominion Bank, has the reputation of having as unerring a sense of direction through the thickets of the business world as an Indian has in the Northern forests. He either knows where he is going and how to get there or he doesn't start at all. He masters a subject, a situation or a proferred opportunity in all its aspects before acting. This does not mean that he is deliberate to the point of slowness in coping with problems brought before him. Quite the contrary; he faces new problems with the requisite deliberation but behind him stretches such a multiplicity of problems of all kinds met and solved that current decisions in the great majority of cases spring spontaneously and quickly from that background of experience.

Consulting The Records

The main facts of what C. H. Carlisle has accomplished in Canada in the last twenty-four years are "on the records."

Goodyear Tire Co. of Canada, whose annual statement for 1933 will soon show more than $6,500,000 of cash and Government bonds in the current assets and surplus of about $7,500,000, was started by C. H. Carlisle from almost nothing in 1910. He started the company at 85 Queen Street in a room 30 ft. by 80 ft. with a basement of the same size and with less than $100,000 of merchandise purchased from the Goodyear Akron Co. In 1911, one year later, the company bought the assets of the Durham Rubber Co., of Bowmanville, which had been losing money, for $100,000, borrowed from the old Standard Bank and some stock in Goodyear Tire & Rubber Co. for the balance. In those early days when most of this record of success had still to be made this tall, broad-shouldered Canadian by choice (he was born in Cortland, Ohio, of a Scottish father and Irish mother) communicated his strong confidence in eventual success to bankers and others with whom he came in contact. The same principles which are running Goodyear Tire & Rubber Co. today in its success were present and operating in those early days.

Disclaims Being Miracle Worker

To a Financial Post representative who asked him a year ago to explain the principles on which had been based Goodyear success, Mr. Carlisle answered:

"There is no miracle. We worked hard in 1910 as we do now. We did all our thinking and planning before we acted on large scale plans and then adhered to them. We made it a point throughout this whole period never to do business except at a profit, but we also made it a point to make that profit so reasonable for an efficiently conducted business that it would not invite competition. We strove continuously to give both the worker and the consumer the advantage of improved machinery, plant and quality. In war years we made no profits on goods sold for war purposes because we did not believe in profiteering at such a time, and in the banner years following the post-war depression we realized that such times could not last forever and acted accordingly."

Passed Through The Mill

In the election of C. H. Carlisle as president, the Dominion Bank puts at the head of its affairs a man who has been through the mill as a manufacturer and a merchandiser, who has first hand acquaintance with the problems to be met in these fields, who can give them the sympathetic consideration born of knowledge and whose services therefore should be of the greatest benefit both to the bank and its clients.

Enterprise, hard work, planning and organization are the four foundation stones on which Mr. Carlisle has built his outstanding success. It needed faith even in those first days to open an office with a staff of only half-a-dozen, but that faith moved such mountains that at the peak of activity the company has 4,000 employees. One set of offices after another had to be abandoned as business grew until the present office building at 152 Simcoe Street was built. At the same time the manufacturing plant at Bowmanville had to be added to until now it contains 165,000 ft. of floor space and houses had to be built to accommodate a sufficient staff. The great heavy steel plant at New Toronto with 745,000 square feet of floor space had to be built as well and it can be expanded indefinitely as need arises because in the long plans of the founders, 27 acres were provided for at the beginning.

Labored Unceasingly

In 1926 the founder was still looking out for opportunities and obtained control of the Canadian Manhattan Cotton Co. and turned it over to Goodyear Tire. It has been so successful that the investment really cost the parent company not a cent and on March 1 the bond issue which financed the deal will be redeemed. That plant has modern machinery of 42,000 spindles and can produce monthly 850,000 pounds of fabric.

All of these accomplishments have meant that through the greater part of 24 years C. H. Carlisle has given unremitting attention to the affairs of the company. He labored unceasingly to build up its liquid strength so that it would not be vulnerable to ordinary turns of fortune and to make its operating efficiency such that no competitor would have an advantage of him.

Has Historic Sense

One man, who has had occasion to see a great deal of Mr. Carlisle in recent years, says that one should go back still further than the record which has been briefly summarized here in order to understand the man and the strings which move him. He recalls that when Mr. Carlisle started up his small office in Toronto in 1910 he had only had 18 months in the rubber industry. Before that he spent ten years as superintendent of schools in Ohio.

Mr. Carlisle had been then and still is a great student of history, not so much the detailed records of politics and politicians and succeeding administrations of the ins and outs, but the economic history of North America. He has always been fascinated by anything which throws light on the big mass movements of men in the pioneer days and the succeeding changes that accompanied the westward rolling tide of population which eventually conquered a "dark" continent and then developed it. He is intensely aware of the great accomplishments of the century and is conscious as well of the cost of human material and in fortunes of bringing these things about.

Sees History in Building

A revolution of an intensely interesting kind has occurred almost within the lifetime of one man. Mr. Carlisle's own parents, coming out from Liverpool to the new world, were six weeks on the sailing ship that brought them to New York. Most of what has since been accomplished on this continent has come about since then. The west has been changed, the Indians put on reservations, industry established and the machine age hurried forward at such a pace that probably no other nation in the world has been mechanized to the same extent as the United States with Canada not far behind when its smaller population is considered.

When a man is intensely aware of the broad mass movements of civilization for 100 years he knows that the same processes of change are sweeping through the present toward many future goals and that is responsible in a large measure for his success in Canada and for his peculiar method of attack on the various problems and proposals that come before him. He could see, for example, when he chose to forsake the field of education for the rubber industry that that industry was on the eve of marvellous opportunities for expansion in connection with automotive developments.

No business problem is an isolated problem to him. It has to fall into relation with what he understands the big movement of things to be. He is continuously assessing the things that pass before his eyes or assail his ears with the object of getting as nearly as possible an idea of what is going to be happening five, ten, fifteen and even 20 years hence.

Sees Business as Whole

This attempt at analysis of an interesting personality leads up to the conclusion that C. H. Carlisle has not been made president of the Dominion Bank because he is a good rubber man and a successful executive alone. Though he has given unremitting attention to the business of which he is head, his conception of what unremitting attention is embraces the gaining of an adequate idea of conditions in the whole industry and the trend of affairs in the business community as a whole. One of his constant sayings to business associates has been that no company can be a complete success unless the industry in which it operates is also in a sound condition. He does not believe in monopoly anywhere. He welcomes competition on a reasonable and intelligent scale. He believes that an intelligent appreciation of what is ultimately for its own welfare should make every company in an industry strive to improve the conditions of that industry as a whole. He also sees that the industry, itself, will flourish best as Canada and the nations at large come to an understanding of the sound and enduring principles on which alone stable world prosperity can be built.

Banking And Industrial Objectives

The other day when news of the selection of C. H. Carlisle as president of the Dominion Bank was announced, a representative of The Financial Post asked him how the problem of successful banking appealed to him as compared with the problems of building up a large industrial company.

His reply was:

"I have only been a director of the Dominion Bank since December, 1928. In those six years I have not seen any reason to change the opinion I had when I became a director that the same basic principles apply to efficient operation of a bank as of a successful manufacturing business; that is, the objective should be to keep both in a sound financial position, to give them careful and efficient operatoin, to be frank in statements made to the public and to conduct their affairs in such a way as to merit the confidence of the public.

"The greatest thing in any business is to merit public confidence. Our success in Goodyear's has also been due in great measure to constant attention to organization and a selection of competent executives and employees. Is not that the same problem that confronts the board of directors of a bank and the highly trained banking staff and executives that are continuously in charge of its affairs?

Where Banking Success Lies

"An industrial executive to be successful must also have a reasonable selling price as compared with cost. Those costs are determined by efficiency, his way of running the business and by the business policy with which he tries to justify his products and service to the consumer. He must try to finance his institution so that his financial overhead is not a burden to it, and, let me say it again, he must build up an organization that is efficient, honest and loyal and he must strive to see that there is no key position anywhere in his organization without at least two men being trained to the point where they could fill it in case of need. Those are sound business policies and as I see it, they are applicable to banking. A successful business must be in constant touch with its customers and, as I see it, a successful and useful bank should maintain close contact between clientèle and banking officials.

"The safety and progress of a bank rests largely on the ability and character of its board of directors and of its officers. It is necessary to build up the staff so that executive positions may be competently filled by those who are trained in the organization. A bank must be so organized that every problem with reference to credit, interest and the general policy of the bank shall be carefully studied in all details consistently and constantly so that directors can be thoroughly informed on matters that come before them. Trained bankers must do the actual banking but the problems of management presented to bank directors are not essentially different from those met in other large companies."

Goes to Kernel Quickly

The habit of mind acquired by the new president of quickly eliminating non-essentials and of getting to the few facts that matter are well known to all those who have done business with him. He carries that with him everywhere. The writer well recollects a good roads meeting in the King Edward Hotel some ten years ago at which Mr. Carlisle was present.

A number of speeches were made by good roads advocates who more or less violently advocated the keeping of heavy trucks off the highways in order to preserve the roads. Suggestions were made as to the limit of weight and size which should be allowed for a truck. Eventually Mr. Carlisle was called upon. Apparently thinking it all out on his feet, in a few sentences he outlined the principles which really have come to govern in recent years. He suggested that it was rather flying in the face of progress to prevent trucks reaching their best and most efficient development and explained how everything that was being sought by the good roads advocates could be obtained by forcing heavy trucks to add additional wheels so as to distribute the weight. He pointed out that this was capable of almost unlimited application to reduce wear and tear on roads and would, at the same time, permit trucks to reach the size that would be most economical for the carrying of goods.

It is true that Victor Ross, vice-president of the Imperial Oil Co., witty and irreverent, followed Mr. Carlisle and said jokingly:

"Before you accept Mr. Carlisle's ideas as to how to govern traffic of trucks on the highways you had better remember that he is in the tire business."

Shoulders Carry Logical Engine

This article has been intended to indicate the writer's conviction that C. H. Carlisle's ideas on banking and business as a whole have not been the result of his intensive experience in Goodyear Tire & Rubber Co., alone. It would be nearer the truth to say that his success in Goodyear Tire & Rubber Co. has been due in no small measure to his correct reading of the trends of business, of industry and of social and economic relationships generally. He could see that the rubber industry had possibilities of great growth. He got into it. He could see that Canada and the nations of the British Commonwealth had—well, he is here. He is neither an optimist nor a pessimist. His conclusions are come to logically and remorselessly irrespective of what his inclinations and desires may be.

Statesmen Should Get Busy

It may surprise many readers to know that this industrialist, who has seen to it that year after year the productive activity of each worker in his employ should be increased by the aid of every possible and modern mechanical device, believes there should be a certain unscrambling of cities if modern civilization is to remain workable. He would like to see the unemployed and others who are having a hard time of it at low wages in the cities, back on small holdings of five, ten and fifteen acres in the country. He believes that Canada and the United States have much to learn from thickly populated countries like Belgium and Holland—Holland, for instance, which has maintained its gold standard intact throughout the depression and has not got an unemployment problem. He does not believe that industrial progress of companies on this continent can go on and on interminably with export markets falling into our laps by the favor of Providence. He sees countries like Czechoslovakia, Japan, Italy, Spain coming up quickly in the future as industrialists and, therefore, believes that business men in Canada must keep the export field and its changes continuously under review. He believes there is room for many reforms in company legislation and in the regulation of industrial and financial activities of companies in the Canadian sphere.

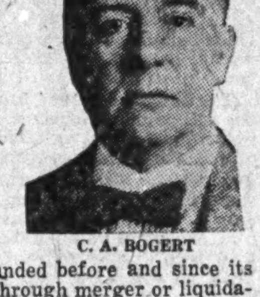
Hunting and fishing are the recreations which Mr. Carlisle enjoys most and his friends say he plays masterly bridge. He has no set time for holidays, but at long intervals manages to squeeze in a week at his favorite pastimes in the woods or beside a river or lake. He plays golf on occasion as well.

Career of C. A. Bogert Leads to High Honor

New Dominion Bank Chairman Has Served Bank 53 Years — Started At $20.83 a Month

By WARNER A. HIGGINS

It is said that no one person knows as much about the Dominion Bank as does Clarence Atkinson Bogert, recently honored by his appointment as chairman of the board of directors. Since 1881 he has served his bank, first in junior capacities, then with increasing responsibilities which led to the highest honors within the power of his directors to bestow. In the 53 years that he has been associated with the bank he has been general manager for 27 years, vice-president for eight years, president for one year. As chairman of the board he will continue in close contact with the bank's activities and will remain on the executive committee of the bank, but, freed from much detail work, he will have more leisure than he has had since he left Trinity College School to become a banker.



C. A. BOGERT

Mr. Bogert's career as a banker practically spans the life of the bank of which he has been the guiding genius so long. When he was appointed a junior at the Uxbridge branch in 1881 the bank was just entering its eleventh year of operation. Its growth was slow at first, governed by the native conservatism of the directors. Never in its history has the bank expanded its activities by acquiring the assets of other banks. Its early growth was slow but sure and, as a result, the great majority of other banks founded before and since its incorporation in 1869 have lost their identity through merger or liquidation. The Dominion Bank did lead the way, however, in opening city branches wherever business warranted the additional service.

Received $20.83 a Month

Back in 1881, young Bogert, a son of the rectory, chose banking as a career rather than the ministry. He applied for appointment as a junior to both The Dominion Bank and Molson's Bank and in those days the appointment of a junior was so infrequent an event that the board of directors of the bank sat in judgment on the qualifications of all applicants. Both banks decided almost simultaneously that the Reverend Mr. Bogert's son was good material out of which a banker could be made but Molson's Bank offered only $15 a month and the Dominion Bank was prepared to pay $20.83 a month for a future chief executive. Clarence Bogert was a scholar at Trinity College School one day and the next he was junior at the Uxbridge branch of the Dominion Bank.

The new junior had two chief characteristics. He was determined to get ahead and was ready to go anywhere in furtherance of that aim. His first move was to Belleville and then, in 1882, to Toronto, still as a junior and still receiving a monthly stipend of $20.83. Board and room cost $12 a month in Toronto which did not leave a princely sum for clothes and books and other necessities. The bank did provide the noon-day meal, however. In 1884 the young banker was moved to some eight different branches of the bank which gave him a good insight as to what banking really was.

Was Active in Sport

Then he spent several years in Toronto during which the $1,200 a year salary of his superior seemed a goal so far off that it might never be attained. He kept assuming greater responsibilities, however, and proved his capabilities. In other ways than his work in the bank he proved himself. He made good use of his talent for making friends and entered into the activities of the community. A member of the Argonaut Rowing Club, he stroked the crew of the Dominion Bank that won the Banking Four Oared Crew championship in June, 1892. He played goal for the Dominion Bank hockey team that won the bank league championship in 1891. Cycling was popular and many times he rode around the lake to the Niagara Peninsula. He joined the Queen's Own and attained the rank of color-sergeant before he was forced to resign as the bank's business made travelling essential.

In 1893, Mr. Bogert was appointed assistant inspector and from then on his rise in the bank was rapid. In 1894, a desire to visit the Northwest Territories was fulfilled and for four months he travelled by team through Western Canada learning of its potentialities. When he left on this trip he wore a handsome moustache, typical of the day, but when he faced the winter weather of the west he found that a full beard was much better protection. Now he is clean shaven and has been for many years.

Opened Montreal Branch

Three years after his western trip the first western branch of the bank was opened in Winnipeg. He became assistant manager in Toronto in 1895 but offered to go to Montreal and open the first branch of his bank at that point in 1898. It had been the intention of the directors to appoint an outside man to this post and it was entirely through Mr. Bogert's initiative that he got the job. His brother, M. S. Bogert, now holds the same post.

By this time he was making $2,000 a year and found this long sought goal all but insufficient to meet the needs of his position. Success attended the new branch at Montreal. The comparatively young manager joined clubs, made friends and developed new business for the bank. He took an active part in the activities of the Montreal Board of Trade and played plenty of golf to keep fit. In 1906, when the position of general manager of the bank became vacant, Clarence A. Bogert got the job.

The general manager of a growing bank has plenty of work and responsibility without taking on other duties and the list of additional activities in which Mr. Bogert interested himself upon his return to Toronto is ample commentary upon the energy and capacity of the man. In it there lies part of the secret of his success in the banking world. He rapidly attained a position of leadership in the Toronto Board of Trade where he served as director for several years and then as president in 1918. He headed the Canadian Bankers' Association in 1920 and 1921, was president of the Toronto Golf Club from 1923 to 1926 and was president of the Royal Canadian Golf Association. Golf remains one of his major interests and his game is a creditable one. Never a gambler, he now wagers as much in one round of golf as he made in one week during his first years with the bank. In 1925 he was appointed vice-president of the bank. He retained the position of general manager until his election as president early in 1933.

Mr. Bogert's clubs are as follows: York, Toronto Hunt, Eglinton Hunt, Toronto Golf, Ontario Jockey, Lambton Golf, Toronto Cricket, Toronto; Hamilton Golf, Tamahaac, Hamilton; Mount Royal, Royal Montreal Golf, Montreal; Rideau, Ottawa; Racquet and Tennis, New York; Travellers', London, Eng. He is also a governor of Trinity College School in which he maintains an undiminished interest.

Bank is "Closest to His Heart"

As a result of his love of healthy exercise and his keen interest in the world in which he lives, Mr. Bogert's 69 years are carried lightly—he has a fine physique. Careful in dress, punctilious in courtesy, genial in manner, Mr. Bogert does not show to the casual observer that driving energy that brought him to the top. Frequently, however, he shows an amazing memory for business details. He has a neat wit, an aptitude for anecdote and is an interesting speaker. He likes to entertain at his bachelor home. Widely read and with a broad outlook on the passing scene, Mr. Bogert is well-equipped to enjoy the leisure that is his due. But his 53 years of banking experience, gained under exacting bankers of the old school and under the exacting conditions of the past two decades, are irreplaceable and he will continue to serve his bank as he has served in the past.

Said A. E. Dyment, upon the occasion of Mr. Bogert's retirement from the position of general manager: "Knowing Mr. Bogert, as I do, very intimately, I know that this bank is the closest to his heart; nothing in his life has ever come between it and him. Mr. Bogert hides his light under a bushel better than any man I know. He wants no compliments, but I do hope he will have many happy and useful years to serve the bank."

John D. Gilmour,
B.Sc.A., B.Sc.F., (Toronto)
CONSULTING
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QUEBEC, QUE.

CENTRAL BANK STOCK MAY BE WIDELY OWNED

May Retire Bank Notes Over Ten-year Period

TAKE OVER GOLD

Price to Be Paid to Banks For Gold is Still Under Discussion

From Our Own Correspondent

OTTAWA.—With representatives of the chartered banks in almost daily conference with members of the Government and those directly charged with the task of drafting the Central Bank Act, the measure is gradually beginning to take concrete form. These conferences while they are understood to have revealed a fairly large area of non-controversial ground have also disclosed a few points upon which the Government is now disposed to insert clauses in the new statute which are unpalatable to the banks.

The question of ownership of the Central Bank has been canvassed in detail. It is learned definitely that the Government remains wedded to the commission's recommendation that the institution shall be privately owned and, to the greatest possible extent, be independent of the Government as well as the financial institutions of the country. To attain this end severe restrictions are likely to be placed upon the amount of stock any one individual may own and, perhaps, upon the nationality of a person who will be permitted to own stock.

May Acquire Gold Reserves

Instead of leaving the question of the bank's note issue to be decided in later years the Government is now inclining to the belief that it would be wiser to make a start at once. The proposal most favorably considered, it is learned, is to provide that the banks' note issue shall be retired at the rate of 10 per cent per year, extinguishing all of it by 1944.

In the matter of taking over the gold held by the banks, the week has brought a notable swing in favor of compelling the banks to transfer their gold to the central bank. Long discussions as to the terms upon which this should be done have taken place, without decision, so far as can be learned. The two extremes in this controversy are that the banks should turn over their gold stocks at par and, conversely, that they should sell it to the Central Bank at the present market price.

Other features of the proposed legislation remain as before.

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"IT DOES TASTE GOOD IN A PIPE"!

Picobac

GROWN IN SUNNY, SOUTHERN ONTARIO

Dominion Coal Co. Reserves Are Enlarged

From Our Own Correspondent

MONTREAL.—Permission has been granted by the Nova Scotia Government to the Dominion Coal Co. to take out the barrier between the Caledonia Mines and the Phalen seam, as a result of which 50,000,000 additional tons of coal have been made available in the Glace Bay area.

The huge barrier has been left standing in order to prevent flooding of all the mines in the event of an accident, such as the sea breaking in and flooding one of the mines. The coal company now claims 20 years of submarine operation have shown the barrier is not necessary and the Department of Mines has upheld the contention.

The coal will be mined through Caledonia colliery, and the vast block will prolong the mine's life about 25 years. Haulage will be shortened, with the result that production cost will be decreased.

Ottawa Electric Co. Officers Are Elected

From Our Own Correspondent

MONTREAL.—Hon. Thomas Ahearn was re-elected president of the Ottawa Electric Railway Co., and the holding company, Ottawa Traction Co., at the annual meetings. Fred D. Burpee was re-elected vice-president and manager of the former company and vice-president of the Ottawa Traction Co. G. L. Snelling was appointed secretary-treasurer of the Ottawa Electric Railway.

THE TORONTO GENERAL TRUSTS
CORPORATION

52nd Annual Statement

PROFIT AND LOSS ACCOUNT

Balance 31st December, 1932		$ 83,694.23
Net Profits, deducting all Management Expenses		280,955.32
		$ 364,649.55
APPROPRIATED AS FOLLOWS:		
Quarterly Dividends, Nos. 147 to 150		210,000.00
Federal, Provincial and Business Taxes		50,000.00
Balance carried forward		104,649.55
		$ 364,649.55

ASSETS

CAPITAL ACCOUNT:		
Office Premises	$ 2,000,000.00	
Real Estate held for sale	1,040,851.99	
Mortgages and Agreements for sale	1,488,082.83	
Debentures, Bonds and Stocks	68,769.90	
Loans on Debentures, Bonds and Stocks	40,643.14	
Loans to Trust Estates	363,050.56	
Accounts Receivable	60,124.21	
Cash in Banks	138,607.43	
		$ 5,200,130.06
GUARANTEED TRUSTS ACCOUNT:		
Mortgages	$ 15,612,503.62	
Dominion, Provincial and Municipal Securities	5,288,653.38	
Bonds, Debentures and Stocks	390,048.17	
Loans on Dominion, Provincial and Municipal Securities	1,027,477.76	
Loans on Bonds and Stocks	450,597.74	
Cash in Banks	927,756.76	
		23,697,037.43
ESTATES, TRUSTS AND AGENCIES:		
Investments and Cash in Banks	$ 68,542,522.76	
Original Assets of Estates at Inventory Value	131,218,918.03	
		199,761,440.79
		$228,658,608.28

LIABILITIES

CAPITAL ACCOUNT:		
Capital	$ 3,000,000.00	
Reserve	2,000,000.00	
Dividend No. 150, due January 2nd, 1934	45,000.00	
Income Tax and Unearned Rents	50,480.51	
Profit and Loss	104,649.55	
		$ 5,200,130.06
GUARANTEED TRUSTS ACCOUNT:		
Guaranteed Investment Certificates	$ 17,669,294.84	
Savings Deposits	6,027,742.59	
		23,697,037.43
ESTATES, TRUSTS AND AGENCIES		199,761,440.79
		$228,658,608.28

BOARD OF DIRECTORS:
President: Hon. N. W. Rowell, K.C., LL.D.
Vice-Presidents: E. T. Malone, K.C.; Thomas Bradshaw.

Hon. A. C. Hardy
Col. J. F. Michie
H. H. Williams
A. H. Campbell
F. Barry Hayes
S. J. Moore
Isaac Pitblado, K.C.
Alexander Maclaren
P. J. Myler
W. W. Near
Albert Matthews
A. E. Phipps
C. S. MacInnes, K.C., C.M.G.
W. G. Watson
T. A. Russell
Alexander Fasken, K.C.
Hon. Chas. McCrea, K.C., M.P.P.
Victor Ross
C. S. Macdonald
A. C. Matthews

Copy of 52nd Annual Report covering year ended December 31st, 1933, with statement of Auditors and full proceedings at Annual Meeting held Feb. 7th, 1934, will be mailed on request.

SAY REVISION INCOME TAX TO BE MINOR

Allowance Postponement of 50% Depreciation Aids Taxpayers

STUDY U. S. PLANS

American System in Disfavor — Rulings Going Back to 1927 Affect Depreciation Deductions

While there may be some revision of Dominion income tax legislation at the present session of Parliament, there is no chance of Canada adopting the system of taxing capital gains and losses that has prevailed in the United States, The Financial Post is informed. In fact, the American system has worked so unsatisfactorily that wide changes have been recommended by Washington committees, and it may be abolished.

However, officials of the income tax branch at Ottawa are studying with keen interest proposals and plans to change American income tax legislation. These include raising levies on Americans with all or part of their income "unearned" (from dividends and so on); decreasing taxes on wholly "earned" incomes; but leaving the wholly "earned" income still the heaviest tax-bearer. The much-maligned taxing of capital gains in the United States is also due for revision, possibly on the basis of reduced taxation in proportion to the length of the period over which gains are realized.

The feeling in Ottawa regarding personal and corporation income taxes is that changes at the coming session are likely to be of minor importance. Income tax collections were down $3,237,366 in the first nine months of the 1933-34 fiscal year, compared with the same period of the 1932-33 year, and reports from Ottawa have it that the authorities are coming to the view that the limit is being exacted from Canadians by the personal and corporation taxes.

Some important changes in depreciation allowances are, however, being made by the income tax department, and may result in substantial savings to certain taxpayers. This was disclosed in a special dispatch from Ottawa to The Financial Post last December.

Benefits are being obtained by postponing up to 50 per cent annually of full depreciation, the deferred amounts to be deducted from taxable income in later years. But it is claimed that postponement of the full depreciation should be allowed in some cases.

Rulings under which these allowances are being made go back to 1927, 1929 and 1933. Thus, some of the allowances are not new, but because of the depreciation they are applying to and benefitting many firms for the first time.

In 1927 a ruling was made to the effect that failure to charge full depreciation in a period of no taxable profits would not be considered a reason for allowing a charge of postponed depreciation against future profit-earning periods. Consideration was to be given, however, for depreciation that could have been written off but which was not taken in periods for which income tax had been paid. Total depreciation so claimed could not exceed the amount of taxable profits of the periods for which full depreciation was not deducted.

The intention of the ruling was to allow the life of an asset to be extended so that depreciation to which a taxpayer was entitled might later be charged against taxable income. To do this it was stipulated that the asset must remain in use and that current depreciation and postponed depreciation would not be allowed in the same taxable period.

1929 Ruling

In 1929 a ruling was made for the benefit of firms with irregular periods of profit and loss, to allow them to take only half the normal depreciation allowance, permitting postponement of the remaining half. This was based on the supposition that in slack years, in which a loss or no taxable income resulted, equipment was not in full use, and therefore was not depreciating fully.

So it was ruled that (1) 50 per cent of the normal depreciation allowance would be considered to have accrued in the periods in which no taxable income was made, but 50 per cent was to be taken into account for taxation purposes even though the taxpayer might not have made any such depreciation charge on his own books; (2) the postponement of 50 per cent depreciation mentioned was only to be extended to the taxpayer in the event that he adjusted his books to agree with the 50 per cent allowance by the department. Briefly, this meant that the department required taxpayers to deduct 50 per cent of their normal depreciation, allowed postponement of 50 per cent, but would not allow any postponement unless the taxpayer showed in his own accounts that he had taken less than the full amount.

Maximum and Minimum

In May, 1933, it was ruled that the maximum amount of depreciation allowable in any period should be the amount incorporated in the profit and loss account of the taxpayer, provided, of course, that such amount should not exceed the rates allowed by the income tax department.

Thus, there is a maximum and a minimum established. The minimum is 50 per cent of the normal allowance. The maximum is that shown in the taxpayer's books, which must not be more than the department's rates. In other words, a firm cannot show a larger deduction for depreciation to the department than it can to shareholders.

Postponement of part of depreciation in an unprofitable year results in adjustment of discriminatory taxation between firms with stable earnings and those with fluctuating income. In some cases, however, it is claimed that the recognition does not go far enough and that the department should allow postponement of more than 50 per cent of the normal depreciation.

Postponement on the basis of a machine depreciated 10 per cent for each year, over 10 years, would work out under present rulings as follows: if in three years, no taxable income was recorded, five per cent could be postponed each year, a total of 15 per cent of the value of the equipment. Then in the eleventh year, if profitable, 10 per cent could be deducted and in the twelfth the last five per cent could be taken.

The claim of some firms, that postponement of 50 per cent of the normal allowance is sufficient, goes to the extent of asking for postponement up to 100 per cent of normal depreciation. This would work out, in the above mentioned example, in allowing 30 per cent depreciation of the value of the equipment to be postponed.

Then in each of eleventh, twelfth and thirteenth years, if they were periods in which a taxable profit were shown, a 10 per cent deduction could be made. The contention is that firms should be allowed to charge their full depreciation against taxable profits, and should not be compelled to write off even part of it in unprofitable years, thereby losing forever part of their exemption.

Example of Discrepancy

Simple arithmetic shows how firms with irregular incomes have been penalized to a greater extent in the depreciation allowances than those with stable profits. Over a five year period, one firm might have annual profits of $100,000, from which to deduct $20,000 depreciation. The total would be $500,000 less $100,000, leaving taxable profits of $400,000, on which the total tax at 12½ per cent would be $50,000.

Another firm might make profits of $500,000 in two years and show losses for the next three. For the five years, therefore, full depreciation would be $100,000, but only in the two profitable years could the full annual amount be deducted from income. Therefore, this firm would have to pay tax on $460,000, or $57,500, being $7,500 more than the first firm. The benefit of depreciation deductions of $60,000 would be lost to the second taxpayer. However, by postponing 50 per cent of this, or $30,000, half the benefit might be received in the future. This would bring the discrepancy between the tax payments of the two firms down to $3,750. Opinion among some taxpayers is that even this discrepancy is unfair, and that they should, therefore, in unprofitable periods, be allowed to defer up to 100 per cent of their normal depreciation allowances.

Many Latin-American Bonds Bad Argentine's Record Bright Spot

Colombian and Uruguayan Bonds Have Promise, Analysis Shows; Bolivia, Chile, Peru Black Spots

By ROGER S. DAVIDSON

It is usual in analyzing the investment status of a foreign bond to study the economic situation of the borrowing country; ordinarily vital to an intelligent appraisal of the risk involved.

When attention is focussed on Latin American dollar loans, however, it is apparent that all the statistics in the world are of little value if the borrower does not understand that "credit is based on character." In the case of several, at least, of these countries the failure to demonstrate a proper attitude toward their obligations has all but made an analysis of the other factors unnecessary.

Only two Latin American republics, states or municipalities—the provinces of Sao Paulo and Rio Grande de Sul in Brazil—had a clear record previous to 1932; and of course even they have since defaulted. The only South American government with loans outstanding in the United States now meeting its foreign obligations in full is Argentina.

Places the Blame

Of some $1,500,000,000 of Latin American bonds sold in the United States, and purchased in large amounts by Canadian investors, over 80 per cent are in default.

In many cases the loans were for non-productive and wasteful purposes while in others only a small proportion of the proceeds ever reached the exchequers of the borrowing government. Many instances of fraud and bribery have been disclosed by investigating committees or by the bankers for the loans. The sponsors of the issues are themselves to a considerable degree responsible for the corrupt nature of much of this financing; but no amount of blame placed on the American banking houses can absolve the issuing governments from the discredit of wholesale default—if not repudiation.

As the months pass it is becoming increasingly evident that, with the possible exception of Argentina, there is small hope of realizing any substantial portion of the original investment in this class of foreign bond.

Argentina's Position

Argentina, "one of the world's greatest farms," has experienced the misfortune of low prices for primary products common to Canada, Australia and all other nations with important farm areas. Its problem is dependent largely upon a restoration of world trade and a higher price for its exports for its solution.

The rather critical condition of Argentina is illustrated by the fact that exports in 1933 were the lowest since 1914 while the favorable balance of trade was only one-half the 1932 figure. In spite of the serious economic situation however the country's gold reserves are ample and government revenues are sufficient to cover all expenditures.

The trend toward radicalism in Argentine politics, lately climaxed by the appointment of Federico Pinedo as the minister of finance, has been a source of anxiety to the holders of Argentina's foreign obligations. The Argentine press has been carrying propaganda for suspension of sinking fund and interest on the external loans and it is known that the new finance minister is sympathetic to this suggestion.

Nevertheless Argentina has strictly complied with the terms of its loans and, for the present at least, there is no real apprehension of a default. It is believed in well-informed quarters that suspension of the sinking fund would be as far as the Government would go unless conditions become much more unfavorable than at present.

Argentine Provinces, Municipalities

Five Argentine provinces and four cities have floated loans in the United States. Three of the provinces and three of the cities have defaulted. Generally speaking the defaults are due to exchange restrictions rather than to financial difficulties or bad faith. The only instance of the latter seems to be in the case of the province and city of Sante Fé.

City of Buenos Aires dollar loans have been scrupulously paid in full. Province of Cordoba is the only other political subdivision to have a clear record. Province of Tucuman has paid in full but a delay of several months occurred in the payment of the Oct. 1932 coupons.

Brazil's Difficulties

Although Brazil was among the first of the South American republics to default during the present depression, its government has demonstrated a praiseworthy desire to recognize the rights of its foreign creditors. Very soon after default, a plan providing for the ultimate payment of interest was instituted.

In spite of great natural wealth Brazil has been severely affected by the depression, its total trade having declined by about 75 per cent as compared with 1929. Its normal surplus of exports over imports has not prevented all the country's gold from being used up in an heroic attempt to maintain interest payments abroad. In 1933, it is estimated that the amount of foreign exchange available for the servicing of external loans was less than half of the amount required.

Shortage of Exchange

During the first six months of 1933 the surplus of exports amounted to 21 million gold dollars as compared with 39 million in the corresponding period of 1932 so that the problem of securing sufficient foreign exchange is becoming progressively acute. That the major barrier to the payment of interest in cash is the scarcity of foreign exchange is shown by the fact that the federal budget produces a surplus. Several of the states, however, notably Sao Paulo, have failed to balance expenditures with revenues. But the federal revenue in 1932 was equivalent to only about 86 million gold dollars, so there is small chance of paying interest abroad in cash since this item alone would require something like $40 or $50 million.

If Brazil can secure capital to develop its resources to a greater extent, it is possible that both interest and principal of present loans may be paid in full. There is every reason to believe that the government is anxious to carry out its obligations just as soon as circumstances permit.

Brazilian States and Cities

Nine of the fifteen states and three of the eight cities in Brazil have borrowed in the American market. All of these are in default. Because of the special pledge of coffee revenues, interest on the 7 per cent Sao Paulo Coffee Loan due in 1940 has been paid in full and approximately one-third of the issue has been retired through the operation of the sinking fund. The amount outstanding is now about $25,500,000 par value. Among Brazilian loans it is clear that this loan holds first rank. Probably the next best risks are the obligations of the state of Rio Grande de Sul and those of the federal government. Taking all factors into consideration a favorable opinion may be formed regarding the future possibilities of these loans.

Bolivian Outlook Dark

Very little of a favorable nature can be said regarding the immediate outlook for the loans of Bolivia. Its economic resources are limited; only one-seventh of its population is white, and its debt record is far from commendatory.

The fundamental weakness of Bolivia is its dependence upon one product—tin. The collapse in the price of this single important commodity brought depression early and severely. More recently the hostilities between Bolivia and Paraguay have resulted in a complete breakdown in the government's finances.

There is very little justification for the hope that Bolivia might at some later date find itself in a position to meet its debts.

Chile's Situation

All republic of Chile, Mortgage Bank and municipal loans, floated abroad, are now in complete default.

When Chilean loans were being offered in the United States and Canada its exceptionally good debt record was stressed. Its dependence upon two products—nitrates and copper — for its prosperity was minimized; yet here we have another instance of the inability of a country to withstand adversity unless it has a diversity of production and of exports.

Chile has suffered a tremendous decline in foreign trade. Imports in 1932 declined 87 per cent and exports 84 per cent from 1929. This in itself would prove a serious handicap to any country striving to maintain its credit abroad through the sale of exportable goods. When between 80 and 90 per cent of its exports consist of two commodities the difficulty is greatly increased.

The finance minister of Chile has reported a balanced budget for 1933 and the 1934 budget is balanced on paper. Expenditures however do not include service on the external loans, although interest on the internal debt is provided.

In the case of Chile it is difficult to imagine a rapid or complete recovery in its economic position but, in spite of prevailing low quotations for Chilean dollar loans, it seems probable that conditions of trade and production will improve to a degree which will permit a least a partial payment on external obligations.

Colombia's Prospects

Up to April, 1933, interest was paid promptly on both dollar issues of Colombia. In that month the finance minister announced that only one-third of the face value of interest coupons due during the remainder of 1933 could be met in cash. The bondholder has been receiving, for the other two-thirds, scrip which is to be redeemed on Oct. 1, 1937.

Colombia's problems have been due to a combination of over-borrowing and contraction of trade. On top of these, periodically active warfare with Peru adds to the difficulties. Colombian creditors claim that the Government has diverted funds from the national treasury for war purposes instead of meeting foreign obligations.

During 1933 imports rose far above 1932 and, as the value of exports fell there was a drastic decline in the country's favorable trade balance. This necessitated the partial payment of interest abroad in scrip.

The budget for 1934 provides for the full payment of bond interest—both internal and external—at par of exchange. This indicates that the government was preparing to resume cash interest payments after Jan. 1, 1934. However, as the current exchange value of the Colombian peso is only 68 cents in New York as compared with a par of 97 1/3 cents, service of the external debt places an extra strain on the budget.

Although full interest payments should not be expected during 1934 —or possibly 1935—the longer term outlook for the direct loans of the republic is more favorable.

Peru's Internal Strife

Since the revolution of Aug. 25, 1930, which ousted President Leguia from the office he had filled since 1919, Peru has been torn by internal strife and political unrest. War with Colombia served to aggravate disturbed conditions.

Peru had a small deficit in 1932 even though no effort was made to service the foreign debt. The 1933 budget made no provision for debt service and another deficit is expected. If interest and sinking fund on the external loans were to be paid, over 50 per cent of the government's revenues would be required. There is thus little likelihood of interest payments abroad being resumed for some time to come.

The Peruvian sol now stands at 23 cents in New York as compared with 17½ cents last year and a par value of 28 cents. With a steady export surplus of substantial proportions Peru has not been handicapped by a paucity of foreign exchange to the same extent as most other South American countries. Its problems have been rather of an internal nature.

Peru possesses valuable natural resources but only a small percentage of the population is really civilized. It will probably be a long time before Peru will be entitled to a high credit ranking abroad.

Uruguay's Arrangements

Republic of Uruguay announced with reference to its own external debt on July 29, 1933, that it was faced with an acute shortage of foreign exchange due to the decline in its exports and the low prices for its products; that continued full payments of interest on its foreign obligations would have a disastrous effect on the reduced gold reserves of the Bank of the Republic, and that the government would, therefore, deposit in Montevideo Uruguayan pesos equivalent to the interest to become due on its external long-term debts. These pesos are to be transferred, from time to time, for payment to coupon holders consenting to accept the same, at the rate of exchange prevailing at the time of transfer. Funds for payment of the coupons due Aug. 1, 1933, on the 8 per cent bonds, 1946, were deposited, under these terms in Montevideo.

This arrangement affects all outstanding external loans of the Uruguayan Government, $52,947,500 of which are expressed in United States dollars. Inasmuch as the Uruguayan peso was only at 60 per cent of parity with the U.S. dollar at the time the transfer was effected for the Aug. 1, 1933, coupons mentioned, holders received only $23.75 for each $40 coupon. This payment was final and was made against surrender of the coupon for cancellation. The coupons due November 15, 1933, were paid at the rate of $18.75 per $30 coupon.

Other Conditions

Uruguayan banks at the end of 1932, held more than one-quarter of the external bonds of the government outstanding at that time. The proportion is probably larger if private repatriation of external bonds is taken into consideration.

Uruguay's well-being depends primarily upon the raising of cattle and sheep for export, and livestock exports account for about 82 per cent of the value of total exports. Wheat, maize and linseed exports account for a further 8 per cent.

In spite of the growing national debt (the result of heavy budget deficits) the outlook is not altogether discouraging. The people are advanced and conservative; and are making an earnest effort to put their house in order and to fulfill their obligations.

Central American Loans

Of the seven Central American republics with loans payable in United States dollars only one—Haiti — has continued to pay promptly and in full. The Dominican Republic is continuing the payment of interest but has suspended the sinking fund temporarily on its two dollar issues; Cuba, with almost a perfect record in the past, failed to meet interest due on Dec. 31 last.

This is the second article in a series of three on foreign dollar bonds. The third, devoted to a study of European and Far Eastern issues will appear in an early issue.

1934 YEAR BOOK CONTAINS 16,000 FACTS ON CITIES

New Edition of Business Year Book Features Many Surveys

Can you think of 16,000 questions to ask about Canadian municipalities?

Probably not, but if you could The Financial Post Business Year Book could answer them. This exhaustive survey of the market data of the leading Canadian cities is only one of the features of the 1934 edition of this standard reference on Canadian business published last week.

Another important development in the 1934 edition is the result of a country-wide survey among executives of leading industries and manufacturing establishments. This survey has enabled the editors to give on almost every page a concise accurate picture of business in 1933 and prospects for 1934 in industry and trade; it will be of very real assistance in rounding out and bringing up to date the wealth of statistical material which the publication contains.

New Series of Charts

Entirely new types of charts have been prepared for the 1934 edition, giving in graphic form the trend of activity in industry, trade and finance, and making even a cursory examination of the book interesting and instructive. In all, there are 62 charts in the 1934 edition.

Analysis of Canada's purchasing power, an annual feature of The Financial Post Business Year Book, is further improved from previous years by inclusion of information revealed by the 1931 census. A list of the branch plants established in Canada during 1933, compiled from the weekly feature of The Financial Post and through co-operation of the Dominion Bureau of Statistics and the leading power companies, is another new feature.

Published by The Financial Post. Price $2.

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GUARANTY TRUST ADDS TO RESERVE

Paid-in Capital Increased During 1933 — Earnings Maintained

Net income of Guaranty Trust Co. Canada, Windsor, Ont., was $17,057 in 1933 as compared with $18,219 in 1932 and $16,110 in 1931 before provision for taxes and depreciation. The company earned 11.49 per cent on capital of $125,409 in 1933 after provision for taxes. This compares with return of 15.26 per cent on capital of $102,854 in 1932. Dividends remained at the rate of 7 per cent per year.

Estates, trusts and agency business was increased to $3,115,406 from $2,910,386. Savings deposits dropped slightly but decrease was more than made up by increase in debentures outstanding to $219,555 from $203,526. Total liabilities in guaranteed trust account are up to $268,456 from $255,216 as a result. Ratio of liquid assets to deposit liabilities was improved with investment in Dominion and provincial bonds up to $70,998 from $48,652.

Mortgages held in capital account show no change at $146,792 but interest due and accrued is up to $5,449 from $3,903. The company shows no real estate held for sale. Furniture and vault equipment has been written down from $1,000 to $1. Stocks, shown at cost, remain at $6,288 while investment of $13,001 has been made in Dominion and provincial bonds. During 1933 paid in capital was increased to $125,409 from $102,854; reserve fund was increased to $50,000, investment was increased to $50,000 from $45,000, investment reserve of $1,500 was set up.

Record of the company for the past six years is as follows:

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1928	102,732	9,947	..	9.74
1929	102,732	12,059	5	11.78
1930	102,732	16,975	7	16.50
1931	102,857	13,960	7	13.57
1932	102,854	15,698	7	15.26
1933	125,409	14,378	7	11.49

*After deducting provisions for taxes.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	76,273	554,410	25,000
1929	153,404	561,879	30,000
1930	171,119	687,826	35,000
1931	213,814	844,540	40,000
1932	255,216	2,910,386	45,000
1933	268,456	3,115,406	50,000

N. York Creditors to Meet Undecided on Defaults

A meeting of bankers, bondholders and North York Township officials may soon be called to discuss the municipality's default. The township defaulted on principal payments of $30,000 due last December, and on Feb. 1 met only $27,500 of the $55,000 principal installment due.

Debenture holders are wondering what the township intends to do about the defaulted payments, what use is being made of taxes levied to meet the principal payments

The municipal councillors now face the same situation as confronted York township officials last September. Their problem is whether to earmark a specific proportion of tax levy for payments on bonds or whether to put it all into the general fund. If the latter is done, and default of principal payments continues, it is contended that councillors are personally liable in any action that might be taken against the municipality.

North York Township has an assessment of some $11,750,000. Annual tax levy is approximately $700,000 and tax arrears at the end of last year were estimated at approximately $500,000.

DISTILLERS CORPORATION-SEAGRAMS LIMITED

And Subsidiary Companies

Consolidated Balance Sheet July 31, 1933

ASSETS

FIXED ASSETS:		
Plant, Equipment, Goodwill, Trade Marks and Blends		$14,898,821.60
CURRENT AND WORKING ASSETS:		
Whiskey and Spirits at Cost, Raw Materials, Barrels, Kegs and Supplies at cost of purchase	$9,736,264.74	
Accounts Receivable ..	840.953.00	
Investments	93,944.92	
Cash in Bank and on Deposit	128,008.80	
Prepaid Insurance and Other Deferred Accounts	56,885.64	
		10,856,057.10
		$25,754,878.79

LIABILITIES

CAPITAL STOCK:		
Authorized 2,000,000 shares without Nominal or Par Value.		
Issued - - - 1,500,006 shares without Nominal or Par Value, at a stated value of $10.00 per share		$15,000,060.00
CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities		380,351.98
SPECIAL LOANS		3,000,000.00
RESERVES:		
For Depreciation	$1,288,016.16	
For Contingencies	149,099.51	
		1,437,115.67
PROFIT and LOSS ACCOUNT		5,937,351.14
		$25,754,878.79

COMBINED PROFIT AND LOSS ACCOUNT JULY 31, 1933

Balance as at July 31, 1932, after deduction of Income Tax payments		$5,179,545.22	
Less: Reserve for Contingencies		72,500.00	
			$5,107,045.22
Profits for the year ending July 31, 1933		$1,266,614.87	
DEDUCT:			
Interest on Special Loans and Advances	$235,240.18		
Depreciation	201,068.77		
		436,308.95	
Profits for the year before providing for Income Tax			830,305.92
Balance, per Balance Sheet			$5,937,351.14

Approved on Behalf of the Board:
S. BRONFMAN, Director.
W. B. CLELAND, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of Distillers Corporation-Seagrams Limited and its Subsidiary Companies for the year ending July 31, 1933, and have obtained all the information and explanations which we have required; and we report that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to show the true financial position of the Company and its Subsidiaries at July 31. 1933, before including liability for Income Taxes referred to in the accompanying report of the Directors, according to the best of our information and the explanations given to us and shown by the books of the Companies.

MONTREAL, January 22, 1934.

PRICE, WATERHOUSE & CO.
Auditors.

BALANCE SHEET IMPROVEMENT

Detailed Comparison of the Consolidated Balance Sheet (Fiscal Years Ending July 31, 1933)

	Quarter Oct. 31st.	Fiscal Years Ended July 31st.		
ASSETS—	1933	1933	1932	1931
Fixed Assets & Goodwill	$14,899,653	$14,898,822	$14,893,918	$14,833,882
Inventories	9,634,816	9,736,265	9,949,040	10,019,710
Acc. Receivable	1,291,823	840,953	855,755	1,404,148
Investments	93,945	93,945	65,086	136,226
Cash	124,113	128,009	112,150	283,132
Other Assets	103,306	56,885	43,026	70,918
Total Assets	$26,147,656	$25,754,879	$25,918,975	$26,748,016
LIABILITIES—				
Acc. Payable, etc.	$ 639,482	$ 380,352	$ 445,274	$ 891,567
Whiskey Contract	....	....	....	669,855
Accrued Dividend	....	....	....	375,002
Current Liabilities	639,482	380,352	445,274	1,936,424
Special Loans	2,550,000	3,000,000	4,064,193	4,064,193
Deprec. Reserve	1,338,687	1,288,016	1,088,302	882,923
Conting. Reserve	149,100	149,100	92,993	114,070
Capital (a)	15,000,060	15,000,060	15,000,060	15,000,060
Surplus	6,470,327	5,937,351	5,228,153	4,750,346
Total Liabilities	$26,147,656	$25,754,879	$25,918,975	$26,748,016

(a)—Represented by 1,500,006 shares outstanding of no par value stock.

COMPARISON OF NET WORKING CAPITAL

	Oct. 31st. 1933	July 31st. 1933	July 31st. 1932	July 31st. 1931
Current Assets	$11,248,003	$10,856,057	$11,025,057	$11,914,134
Current Liabilities	639,482	380,352	445,274	1,936,424
Working Capital	10,608,521	10,475,705	10,579,783	9,977,710
*Deferred Liabilities	2,550,000	3,000,000	4,064,193	4,064,193
Net/Working Capital	$ 8,058,521	$ 7,475,705	$ 6,515,590	$ 5,913,517

*—Special loans.

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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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Merger Puts Toronto Stock Exchange Among World Leaders

Toronto Stock Exchange Born Before Confederation Has Grown With Dominion

Always Eminently Respectable Institution, It Has Combined Growing Success With Conservatism Through 82 Years—Unites With Vigorous Mining Exchange

For 82 years the Toronto Stock Exchange has been an eminently respectable and increasingly successful institution. It was conceived in 1872 with the idea of creating a market through which British capitalists could pour their money into Canada and it has since expanded steadily and adjusted itself to the changing situations created, first, by Confederation in 1866, by the completion of railways from coast to coast, by the Civil War in the United States, by the war of 1870 between France and Germany, by the South African war at the end of the nineteenth century, by the great industrial and railway expansion in the 20th century to 1914, by the Great War and by all the post war developments.

Acted as Barometer

Its members have been constantly from the beginning men of substance and standing in their communities. Many of them have been citizens who have distinguished themselves in municipal, provincial or dominion politics, who have initiated and financed great enterprises and who have exercised conservative but wide influence.

The history of the Toronto Stock Exchange would really be a barometric record of the economic history of the Dominion of Canada, taking in all the events which led up to Confederation and then reacting to all the elements which brought about the huge developments in commerce and industry since 1867.

In those early days the Toronto Stock Exchange prices were not so responsive to world events as they are today when all the principal exchanges are interlinked by cable, telegraph and telephone so closely that only a space of a few seconds is necessary to send the news of price changes in various continents.

Aimed at Importing Capital

The objectives of the Canadian citizens who held meetings in 1852 to form the Toronto Stock Exchange are those of the members today and can best be shown by the terms of the first resolution carried unanimously in those days when Toronto was a small frontier town with unpaved streets and sparse population. Canadian companies were at that time little known abroad and Toronto itself was known colloquially in Upper Canada and Lower Canada as "Muddy York." The reasons for forming the Exchange as worked out in the first resolution in 1852, are buried in the corner stone of the present building and read as follows:

"That in consequence of the very low rate of interest obtained in the London markets, capitalists have been induced to turn their attention to Canada, offering as it does good security and better rates of interest on investments, and it is therefore desirable to fix attention more firmly upon the advantages of Canadian securities generally.

"Resolved, that Toronto being the most central part of attraction to capitalists seeking investment in Canada, this city is deemed and considered to be in every respect the most convenient locality in which to establish an Association of Brokers.

"In doing so we consider we are discharging an important duty to Canada by the establishment of this Association and are helping to promote and extend the general business of the country through the greater circulation of credit."

Fair Trading the Basis

The outstanding clause in the early agreement which brought the Exchange into existence was the eighth which read as follows, and which probably cannot be improved on anywhere as a simple concise statement of the principles which should underlie all stock exchange operations:

"Each member shall transact his business openly and fairly and in accordance with every principle of honor and integrity, and in all transactions the members shall exchange written contracts with each other, which contracts shall be binding in all cases."

It was hard to interest English financiers in Canada, the prevailing attitude being indicated by a London journal which in that year described Canada as "a country frostbound for seven or eight months of the year and embracing as forbidding a land as any to be found on the face of the globe."

Under these discouraging circumstances the Toronto Stock Exchange was born. At first trading by its dozen members consisted only of daily half-hour meetings at the offices of various members. Gradually as commercial and financial trading developed in Upper Canada, it began to gravitate to this Exchange. British and United States financiers, looking abroad for favorable outlets for their capital, began to have their attention drawn by operations of the Toronto Stock Exchange to Canadian enterprises. The domestic and foreign business thus obtained made business of the Exchange grow until in 1861 a reorganization became necessary.

Listed Oldest Stock

The first president of the reorganized Exchange was Herbert Mortimer, who had struggled for years to create interest in Canadian companies and to prolong the life of the Exchange. On this Exchange members negotiated bills of exchange, stocks, shares, bonds, debentures, mortgages and other loans.

In December, 1865, appeared the first authorized list of stocks and prices current. This was distributed weekly to Canadian and American papers. The list was distinctive and insofar as it differed from that of other exchanges drew all the more attention. Instead of specializing on railroad issues, which were considered most important on United States and British exchanges, the 36 stocks listed were mainly securities of the Canadian chartered banks and trading companies. One of these latter was older even than the London Stock Exchange and was known then, as now, as "the governing company of adventurers of England trading into Hudson's Bay" in other words, The Hudson's Bay Company.

On January 8, 1862, rules were adopted and many of these have lasted even to this day, notably the rule reading, "In no case shall one broker charge both buyer and seller."

Powers Derived From Government

In 1878 a special Act of Parliament granted to the Toronto Stock Exchange "the right of constitution of a body politic and corporate." This was official recognition of the importance of the functions of the Exchange in the economic growth of the Dominion. It is claimed that, with the possible exception of the Montreal Stock Exchange, the Toronto Stock Exchange is unique in deriving its operating powers direct from governmental authorities with absolute free trading privileges.

Coming of Cables

The opening of trans-Atlantic cables in 1886 opened up new fields of usefulness to the Toronto Stock Exchange. Wealthier investors of Europe were able to get constant news as to the markets for Canadian listed securities and the more important Canadian issues were listed in London, Paris and other foreign financial centres. That was really the beginning of that arbitrage business so necessary to keep the price levels of various exchanges in constant touch with prices elsewhere in the world.

Outgrew the Old Homes

In 1887 the Exchange found it necessary to establish a permanent place of business, at the northwest corner of King and Victoria Streets. With all the advances made it was still only in the day of small things. The membership fee charged, which was only $5 in 1861, had risen to $3,500 by this time and listing charges were also higher than the 1861 charge of $10 imposed on corporation listings. Compare those early charges with the high of $220,000 paid in 1929 for a seat on the Toronto Stock Exchange and the present sharply graded listing fees on securities.

Business suffered from the handicap of prolonged depression through the greater part of the nineties, but the boom in business which closed the century brought about increased membership in the Exchange and made it necessary to seek new quarters in the boardroom of the National Trust Co. The Exchange carried on through the panics of 1901 and 1907 and by 1910 required still more commodious quarters.

A site on Bay Street was then purchased and the present building was erected. It was occupied on January 1, 1914. This building was designed to look after not only the volume of trading in the boom period of the time when it was erected but to provide for further growth as well. Despite depressions in 1914 and 1921 and the Great War from 1914 to nearly 1919 the new facilities were taxed in the twenties almost to the limit with the result that further changes were made in the building and properties to the south and to the rear were purchased so that the Exchange will be able eventually to erect a building to take care of business far beyond the concepts of any present trader.

War and Post War

The outbreak of the Great War in August, 1914, forced this Exchange for the first time to suspend operations, just as it forced exchanges all over the world to suspend. After a short period, however, operations were resumed.

The post war years were the most active growing years the Exchange ever experienced. The world became conscious of Canada in a way it never had been before and Canadian securities were eagerly sought. The expansion of the market was very rapid and values of listings and memberships naturally increased in accordance with the new situation.

In accordance with the idea that the interests of the client should be given first place, and to make the client feel that his security in trading was greater, the Exchange in 1929 prohibited limited or incorporated partnerships. The limited liability of corporations in case of insolvency was not felt to be sufficient protection for clients dealing through such an Exchange. At the same time the stock exchange inaugurated one of the most important measures it has ever taken by establishing a strict stock exchange audit under the direct supervision of the Commissioner of the Ontario Securities Act. Due to that action the Toronto Stock Exchange has the remarkable record that it went into the greatest depression of this century and is beginning to emerge without a single case of insolvency.

The one marked failure of the Toronto Stock Exchange to provide an adequate market for the expanding mine-making industry is about to be remedied by the merger with the Standard Stock & Mining Exchange. Back in the nineties, when the Rossland boom was in full swing, there was a tendency for conservative members of the Toronto Stock Exchange to look with a hostile eye on many of the mushroom developments connected with that era.

The Standard Stock & Mining Exchange was formed to provide the needed market and though that exchange fell on evil days for a few years with the collapse of the Rossland boom it was in a position to be revived when mining once more began to come back into its own and to develop on a steadier and more permanent basis.

Many abuses have had to be corrected in the last twenty years in the sale of mining securities, but probably the best testimonial to the fact that the mining industry has grown up and that mining finance has become responsible is that the Toronto Stock Exchange members unanimously desired to see mining securities selling under the auspices of the same exchange that has provided a market for other outstanding securities. They know that most Canadian investors now include some mining securities in their lists and that the market needs of these cannot be so well looked after on divided exchanges as under the system now about to commence.

Fat Cattle Offered Tor. Stock Exchange

When the Toronto Stock Exchange was 50 years old in 1902 it received a letter in good faith from a cattle buyer in a small Ontario town (name of man and town withheld), reading as follows:

Dear Sirs, — Your advertisement noted. Please give me by return mail your best prices on fat cattle from a yearling bull to anything that will make beef, of course, not grain-fed. You know about what fat stock is like out of the field. Also feeders from yearlings of any description to a fairly good size. I know all the farmers hereabouts and can get what you want but need some help in financing purchases.

Doubtless this man had read comments in daily financial paper about bulls and lambs on the Toronto Stock Exchange.

NEW STOCK GROUP INVADES EXCHANGE IN CHAIN STORES

Twenty Years Ago Canadian Investors Had Not Heard of Them

ARE DOING WELL

Grew Out of Old Groceries to Meet Demands of Motive Age — New But Stable

By F. G. Lawson,
Treasurer, Toronto Stock Exchange

The young folk who now comprise the so-called younger generation probably accept the chain grocery store as being a necessary part of the scenery surrounding everyday life, in about the same category as the automobile or airplane. The parents of these young people, however, only two or three decades ago, knew only the corner grocery store at which a charge account was kept. The storekeeper in those days visited the market regularly to lay in supplies which could not be secured from the wholesaler.

Each few blocks in the city was self-contained much like a small village, everyone knew everyone else and it was only as the whole community became larger and families moved from one section to another, that old ways of doing business became unprofitable, particularly in regard to the forementioned charge accounts.

Grew Out of Old Grocery

The increase in population has been responsible for many changes in the method of carrying on business in supplying foodstuffs. Opportunities have been created for the aggressive merchant and it should be encouraging to the youth of today to realize that the present large grocery chains were all started by men who were originally one store grocery men.

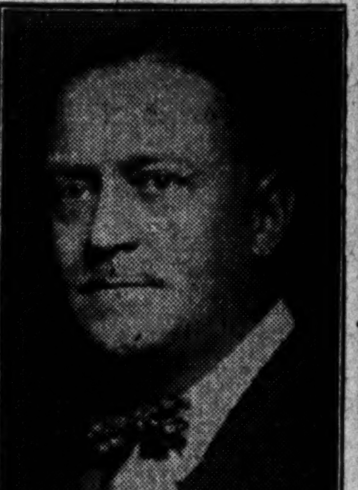
The buying public is so discriminating that it eventually gets what it wants, hence the modern grocery store of today. There is a style of store to suit almost every kind of individual and they are about as numerous as the former corner grocers, of whom, of course, there are many thousands still doing business.

Owned by Public

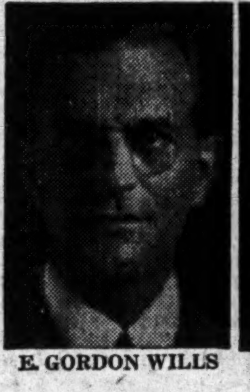
The larger chains are really owned by the public. Three of the largest in Canada were financed in Canada and are listed on the Toronto Stock Exchange. Dominion Stores, Ltd., has the largest number of stores and volume of sales. Loblaw Groceterias Co., Ltd., comes next, and Stop & Shop is third. The volume of business handled is so large that the financing involved could only be handled with the use of

(Continued on page 14)

Stock Exchange Managers


HAROLD FRANKS
President
Toronto Stock Exchange

G. W. NICHOLSON
Vice-President
Toronto Stock Exchange


E. GORDON WILLS

N. C. URQUHART

F. G. LAWSON

MANNING DOHERTY

F. J. CRAWFORD

H. B. HOUSSER

This group shows the eight members of the management committee which will be in charge of the affairs of the new Toronto Stock Exchange until the first annual meeting in June, 1935. All these members belonged to the interim committee, composed of four members from each Exchange which prepared the draft agreement for the merger of the old Toronto Stock Exchange and the old Standard Stock and Mining Exchange. They report that experience of both Exchanges has been drawn upon equally in preparing for the new deal whereby trading in industrial, commercial, financial and mining securities will go on under the same auspices. Colonel George Drew, Securities Commissioner for Ontario, was also a constant attendant at all the preliminary meetings to merger, so that the public point of view was represented in all conclusions by the Exchange. In case of a deadlock on policy—and each member of the committee asserts there is no likelihood of such disagreement as decisions hitherto have been unanimous— it has been arranged that the Ontario Securities Commissioner will be called in as arbiter to cast the deciding vote. Thus, apparently all contingencies have been provided for except unforeseen ones and even there much power has been vested in the committee to adjust policy and regulations to meet changing demands of a new day.

Listing Requirements Toronto Stock Exchange Strict and Aboveboard

By HAROLD FRANKS,
President, Toronto Stock Exchange

In its amalgamation with the Standard Stock and Mining Exchange the newly constructed Toronto Stock Exchange provides the best medium in the Dominion through which the largest and smallest of investors may buy and sell securities.

Its daily quotations, carrying the values and trends of stocks are disseminated to every community in the country by all possible means of communication. Every sale is recorded publicly on the ticker and the Exchange, in its desire to maintain an absolutely free market by placing all buyers and sellers on an equal basis, gives the transaction the widest possible publicity. As a very essential part of this policy, the merged body, as was the case with the two old Exchanges, considers that no security shall be permitted on its list that does not measure up to certain standards. Thus, before the securities of any company are granted trading privileges on the floor they must first submit to requirements which are designed primarily for the protection of the investor. These requirements have resulted from many years experience by committees of the two old exchanges. As before, they will vary according to classes and kinds of securities and will be adjusted from time to time as conditions warrant. In formulating them the listing committees have had the benefit not only of their own knowledge of securities and markets, but also of the most expert advice in each case obtainable.

Statements Required

These requirements demand from the applying company, among other things a complete and detailed statement of all income and expenditures for the preceding fiscal year and the submission of a balance sheet as of the end of that year and as of the time of application. They require a copy of the company's charter and by-laws, the authority of the officer making application and a statement as to the distribution of shares. The latter is most essential since a free market is consistent only with wide distribution of a company's securities.

Further, each company must employ either a transfer or registry office of an independent agency acceptable to the Exchange, which functions are generally filled by the large trust corporations, and these requirements should preclude any possibility of over-issuance of securities.

The company must also agree, as conditional to the listing of its securities, that it will furnish the Exchange and make public at least once a year a full report of operations and must notify the Exchange of all changes in the capital structure, dividend distributions, stocks under option, etc.

Urges Quarterly Statements

The Exchange realizes that the swiftly changing business conditions during a fiscal year necessitate additional information in the interim to supplement annual statements, and will, like the old exchanges, continue to urge the companies listed to provide this information for the benefit of their shareholders, by the issuance of quarterly statements, such as those provided by the gold producers, Nickel, Brazilian, Loblaws and other prominent companies.

The Exchange, however, feels it cannot insist that all companies comply with the request, since all companies do not operate under the same conditions or even in the same fields. There are a number of companies listed on the merged institution whose sphere of activities extends beyond the borders of Canada and into the rest of the world. One company in particular exports its products to 30 different countries and even in these days of high speed communications the compiling of data from such wide-flung distances demands months of preparation, which in this case would be of doubtful value to any quarterly report even apart from the prohibitive cost. In other cases where the operations are confined solely within the limits of the Dominion the taking of the necessary inventory of raw material more than once a year would be impossible, and without this inventory the quarterly report would be misleading. Where possible, however, the exchange finds most companies appreciate the value of this information to the in-

(Continued on page 14)

Standard Mining Exchange Born in Rossland Boom Has Developed Amazingly

Final Emergence of Canada as Valuable World Source of Precious and Base Metals Ensured Rapid Development of Exchange

In a short history of little more than thirty years and a corporate history of only a quarter of a century Standard Stock & Mining Exchange was lifted from comparatively obscure beginnings to be the world's greatest purely mining stock exchange. It was written in the stars from the beginning that some such organized market of great world prominence would be necessary to cope successfully with the capital requirements of an industry which already this century has made Canada first among the countries of the world in output of nickel and asbestos, second in gold, third in silver, fourth in copper and zinc, fifth in lead and which is bringing her rapidly to the front rank in production of platinum metals and radium.

That transformation of Canada from a country primarily agricultural to one that included mining as one of her great primary industries, could not take place without a growing desire of the people of Canada, the United States and Great Britain to get a stake in this development. It could not take place without mining promoters, prospectors, engineers and practical mining men of all kinds catching the flame lit by the first successful explorers and developers and in their turn seeking capital to help them develop claims which to them appeared of promise.

Specialists Needed

That demand could have been met from the beginning by a mining section of the old Toronto Stock Exchange or by a new exchange. Keen, active, enterprising brokers found the conditions of trading on the Toronto Stock Exchange not sufficiently elastic to meet the needs of an industry which in certain periods seemed to be outgrowing from day to day the clothes that fitted it the day before. They started a market-place for mining shares alone because on other markets old reliable brokers and conservative traders feared the new thing that had risen in their midst. Mining was a new thing in Canada and many Canadians felt both witty and worldly wise in quoting Mark Twain's joking definition that "a mine is a hole in the ground with a liar on top."

It has probably been as well for the industry that the new exchange did develop and that a group of specialists in mining trading and mining finance has grown up and that these can now continue in full measure on the new exchange which unites the fortunes of the two old exchanges.

Born in a Boom

The actual forming of the exchange arose out of the Rossland, British Columbia, mining boom in the closing years of the nineteenth century. At that time British Columbia was the lodestar of mining men and prospectors from all over the world. Financing their discoveries, one of which was the Sullivan mine, now an integral part of the great Consolidated Mining and Smelting Company of Canada, was an urgent necessity. It was also imperative to have a stabilized market for listings, purchase and sale of mining shares. Individual brokerage houses in Toronto were doing a considerable volume of business but marketing facilities were inadequate. No standardized basis for determining price from day to day was made available by existing exchanges in Canada and therefore a new exchange came into being to fill the need.

Traded by Call

Trading in those early days was carried on much as it now is on some of the European exchanges. Brokers assembled at the appointed time and sat around a table at which the secretary presided. The latter would start the trading by calling out some stock and offers and bids would pass until all were satisfied, then the name of another issue would be called until the list was exhausted. At the time no ticker facilities existed and a large proportion of the business was conducted by telegraph.

Early Fears

The boom lasted four years and collapsed when it was found the field was a shallow one. Even then gold, silver, lead and copper were being discovered over an extensive area but interest slumped for years when it was found that, while mineralization was enormously valuable the character of new finds was such as to require big capital outlay and large smelter equipment. In addition, banking facilities were not favorable to trading in mining stocks and the volume of the exchange dropped off and with it many of its members.

So black was the outlook following the crash of the Rossland, Rainy River boom that one Toronto newspaper editorialized as follows:

"It is high time that some warning was given to Canadian investors of the futility of supplying money to dig holes in the ground in the hopes that Canada may at some time produce a few odd ounces of precious metals. In this paper we decry the use of inveigling home and foreign money for this fallacy. So far we have mentioned mining stocks as little as possible and in some quarters they are never mentioned at all now. But as a matter of history it is necessary to refer to the fortunes that have not been made. In the endeavor, however, it is probable that $10,000,000 has been thrust in the earth.."

There followed a few brief sessions at the offices of one of the members and then the exchange became affiliated with the Toronto Board of Trade. This period of adversity came to an end with the discovery of the Cobalt camp in 1903. The discovery re-established the Standard Stock and Mining Exchange on a prosperous basis. So rich and prolific were the leading mines of the field that the prices of stocks soared. Issues listed on the floor at the time numbered 34 and of these 24 paid dividends amounting to over six millions of dollars in one year, more than half the total expenditure on mines mentioned in the jeremiad published by a Toronto paper five years before and mentioned above.

While the cobalt camp was still in the ascendancy, Porcupine was discovered bringing in mines now known the world over as Dome, Hollinger and McIntyre. Later the Kirkland Lake District produced Lake Shore, Teck Hughes, Tough Oakes, Wright Hargraves and Sylvanite Mines.

In 1909 transactions in listed stocks amounted to some thirty-seven million shares valued at eighteen millions of dollars while clearing house figures aggregated twenty-nine millions .

Up to then the exchange had operated as a limited liability company and the members felt that holding a seat and a share in a limited liability company intended to limit public confidence in the exchange. Accordingly a charter was applied for and obtained from the Ontario Government granting the body the fullest powers of free stock exchange operation.

Entered New Phase

In the post war period of 1918-24 the mining industry of Canada entered a new phase. Frontiers were pushed back rapidly and operations extended further west and north of Ontario. The copper-gold field of Quebec was discovered and this was followed by the rapid rise of Noranda. Sudbury Basin attracted capital by its lead-zinc-copper finds and large base metal mines were developed in Northern Manitoba. Hundreds of companies were organized, not a few of which have important mines in the making and the listing on the exchange kept pace with these developments.

In 1926 the startling increase in business made a move to larger quarters imperative and the exchange was forced to lease another board room.

Expansion in trading continued until within two years the exchange had again outgrown its home. This time the officials purchased a solid substantial structure on Temperance Street and transformed the building into one of the finest floors on the continent. The most approved devices to facilitate the transaction of the business of a stock exchange was installed, based not only on the prevailing systems elsewhere but on the latest developments in equipment also.

Active Days

Today the exchange is experiencing million share days at a time when credit conditions are not conducive to active trading. It has known periods when two million share sessions were common and when peak days exceeded three million shares. It has become an international market, the largest security market for mining issues in the world. In its merger with the Toronto Stock Exchange the old Standard will form an integral part of the amalgamation, devoted as in the past to mining and the mining industry and carrying on its traditions unimpeded under the banner of the united body.

Away back in the dark days of 1903 the list contained only eighteen issues, six of which were banks, insurance and loan companies, five industrials and the balance being mines. Today the mining section comprises 356 companies, possessing quoted dollar values of almost a billion dollars. Last year's volume reached over 250,000,000 shares, and mainly in gold stocks.

Mining Steps Out

While the gold shares were in the limelight pretty well throughout 1933, base metal shares also attracted a good deal of attention. One of the most convincing evidences that the world has been moving out of the depression is found in production figures for the year just closed. Preliminary government figures for Canada for 1933 are as follows:

	Production lbs.	% Incr.
Nickel	84,500,000	175
Copper	301,900,000	17
Zinc	200,000,000	13.6
Lead	260,000,000	5

Metal Output High

The value of metallic production in 1933 was placed at $124,3[illegible]2,000, as compared with $103,495,453 for 1932. Producers of these metals were able to step up operations, and some to resume operations following a lengthy shutdown, due to expanding demand in Europe, particularly Great Britain, where the benefits of trade agreements effected in 1932 have proved beneficial. Sales were made at substantially higher prices than in 1932. Such improved conditions had their inevitable effect on the price of shares of the group, particularly those that produce appreciable quantities of gold as well as base metals, as the following comparative figures reveal:

	Close 1933	Close 1932	Net gain
Noranda	$34.00	$20.25	$13.75
Falconbridge .	3.25	2.00	1.25
Base Metals .	1.49	.70	.79
Coast Copper	4.05	1.65	2.40
Hudson Bay .	9.25	3.20	6.05

Silver Stocks Move

A list of active silver stocks is again being built up to take the place of Cobalt shares, which were so prominent. Following the discoveries of silver deposits in Great Bear Lake field of unusual dimensions and richness, over a radius much larger than the producing area of Cobalt, development underground has been under way at several mines in the past year. Where opened up at depth values and dimensions have been well maintained. The discovery of pitchblend among the silver in several mines has helped to attract capital to the field. Promising gold discoveries have also been reported at Great Bear Lake, in addition to massive copper discoveries, which for the time being are being neglected. The shares of the Pioneer Company, Eldorado, have been the most active of the entire list during the past year, with a turnover of more than 4,187,614 shares. One silver mill is operating in the field and another nears completion, while three other companies are expected to have mills in operation next year

The oil and gas companies operating in Ontario and Alberta open 1934 under definitely more favorable auspices, and operations may expand as the recovery progresses. Limited markets during the depression for gas brought about government measures in Alberta for the purpose of conserving resources. For oil an unlimited market prevails at appreciably higher prices than one year ago, while the price of naphtha obtained in large volume from the wet gas of Alberta wells has been raised materially.

Floor Committees Now Appointed

In order to have continuity of operations on the two floors of the Toronto Stock Exchange, the managing committee has appointed floor committees. Two members of the old Standard and three of the old Toronto will serve on the industrial floor and two members of the old Toronto and three of the old Standard to serve on the mining floor.

Those members appointed for the industrial section are Gordon R. Bongard, J. F. Stewart and H. C. Mitchell of the old Toronto, and H. A. Hutson and J. T. Cannon of the old Standard.

Appointees for the mining section are J. M. Scott, Jr., C. L. Coulter and J. F. West of the old Standard and D. F. McMillan and Gordon Taylor of the old Toronto.

58 Leaders On Exchanges In 73 Years

Below are the lists of presidents of the two uniting exchanges from the beginning.

Toronto Stock Exchange

1861-1863—Herbert Mortimer.
1863-1864—William Alexander.
1865 —John C. Strikeman.
1866 —Edmund Bradburn.
1867 —Herbert Mortimer.
1868-1870—Humphrey L. Hime.
1871-1872—W. G. Cassels.
1873-1875—James Brown.
1876-1880—Henry Pellatt, Sr.
1881 —William Hope.
1882-1883—Robert Beatty.
1884 —Harrison H. Forbes.
1885 —John Stark.
1886 —W. J. Baines.
1887 —H. C. Hammond.
1888-1889—Humphrey L. Hime.
1890-1891—W. Gibson Cassels.
1892 —C. S. Gzowski.
1893-1894—John Stark.
1895 —John W. Beaty.
1896-1897—A. E. Ames.
1898-1899—G. Tower Fergusson.
1900-1901—J. Lorne Campbell.
1902-1903—Robert H. Smith.
1904-1905—Robert H. Temple.
1906-1907—Augustus P. Burritt.
1908-1909—J. C. Buchanan.
1910-1911—William H. Brouse.
1912-1913—F. Gordon Osler.
1914 —Edward B. Freeland.
1915-1917—G. Tower Fergusson.
1917-1919—H. R. Tudhope.
1919-1920—G. W. Blaikie.
1920-1922—E. Gordon Wills.
1922-1924—J. E. Fraser.
1924 —R. Cassels.
1925-1926—G. G. Mitchell.
1927-1928—A. Pardoe.
1928-1930—C. E. Abbs.
1930-1931—W. Harold Mara.
1931-1933—G. G. Mitchell.
1933 —Harold Franks.

Standard Exchange

1909 —W. C. Fox.
1910 —J. M. Wallace.
1911 —J. L. Mitchell.
1912-1913—J. A. McCausland.
1914-1915—D. G. Lorsch.
1916-1917—J. T. Eastwood.
1917-1918—L. J. West.
1920 —P. W. Cashman, J. P. Cannon.
1921-1922—J. P. Cannon.
1923-1924—F. Asa Hall.
1925 —P. G. Kelly.
1926-1927—F. J. Crawford.
1928-1929—N. C. Urquhart.
1930-1931—F. J. Crawford.
1932-1933—G. W. Nicholson.

Floor Visit Shows Chaos Really Order

Reader Enjoys Day With Bulls and Bears — Trading Machine Intricate — Clearing House Indispensable

What actually happens to an order on the stock exchange is a mystery to many, even to some seasoned investors or speculators. Those who have been sufficiently curious to visit the gallery of the Toronto Stock Exchange or the Standard Stock and Mining Exchange have been mostly bewildered. To the uninitiated, those who have never swapped shares themselves, the shouting, whispering, writing, bell-ringing pandemonium that is "the floor" is chaos. In reality it is an orderly machine handling a money volume of transactions that would have made Croesus gasp.

The traders, telephone boys and board markers are merely cogs in the smooth running financial machinery, which requires also the co-operative services of banks, the stock exchange clearing house, stock transfer agents, other stock exchanges, telegraph, wireless and cable.

Perhaps the best way to understand the technical side of the stock exchange is to spend a day in the bull pit; or the bear pit, according to what one wishes to call it. Let the reader picture himself as a floor trader accompanying The Financial Post to the centre of trading.

Going to Work

We're off down Bay Street, Toronto, having left the office behind, but with a reminder of its existence in our pocket in the form of orders. As we approach the dignified, but grimy portals of the Toronto Stock Exchange we give cheery greeting to those of our confrères of the floor that we meet. Inside, we enter the members' room, doff our coat and perhaps our hat, also exchanging more "good-mornings." In a few minutes we will be haggling with those of this camaraderie, trying to beat them on trades, to the phone or by wire.

The market has not opened. We go to the trading floor; it's cork, we notice, but the sound-insulated upper walls look like any others. Large blackboards are high on each wall, beneath them rows of telephones, one for each trader. A call-board visible from all trading positions on the floor, shows several numbers, the rest of it being black. What are they? Telephone signals. When our telephone rings, our number will show. Telephones are ringing intermittently, as orders come in prior to the start of trading. There's our bell, and our number shows. Our phone is merely a direct extension from the office switchboard, or order room.

Upon answering the phone, the order clerk in our office says: "Buy 100 Nickel at the market." We jot it down in our little black book. It's 9.58 a.m., and the market will soon be open. The floor is becoming crowded, and we must go to our position to buy that 100 "Nickel."

Market Opening

We find ourselves in a group of perhaps a dozen in the area in which International Nickel is traded, for we must trade in each stock in a specific section. To facilitate trading the floor is divided into sections, by a pattern in the cork surface. We watch the clock. An attendant clangs the gong at the stroke of ten, and bedlam breaks loose.

All around us we hear cries of "Nickel." "Buy at 20 says one trader. "Sell at a quarter (meaning 20¼)," says another. The market is, therefore, "20 to 20¼," the former the price at which we can sell, the latter the quotation at which we can buy. Before we buy (if we are slow) another voice calls: "Sell Nickel at an eighth (meaning 20⅛)."

"Sold, take 100!"

"Right. Sell Nickel at 20⅛," drones the seller, indicating that he acknowledges sale of 100 shares to us and will continue to sell at 20⅛. We go to the telephone, inform the order clerk: "Bought 100 Nickel at 20⅛ from McBlank."

Deals Binding

Shortly afterward, we receive a slip, delivered by a messenger, and with McBlank's name at the bottom advising us that he has sold us 100 Nickel at 20⅛. We initial it, and it is sent to be recorded by the ticker operator. No wonder the tape gets behind the market, especially when it's busy.

Just as easily as that, we have executed the order. In fact, in the time taken to relate the process of the trade, we have dealt in half a dozen stocks with 10 or 12 other brokers.

The verbal confirmation is good, but the slip confirms the deal. Actually there are few departures from accuracy in the verbal dealings, but on the Toronto Stock Exchange, merged with the Standard Stock and Mining Exchange, the slips are used as a secondary safeguard. But the slip is routine. The word binds. In the long history of the Toronto Stock Exchange, the tradition of the trader's word being his bond has rarely been violated. This has to be. The vast dollar volume of business could not be conducted efficiently on any other basis. The reliability of the trader's word is assured, first by election, second by rapid elimination from trading privileges of defaulters or welchers.

Arbitraging Trades

But we must get back to the business of conducting floor trading. We note a trader seemingly monopolizing the market in one stock, say, Nickel. He is constantly quoting one side or the other of the market. At one moment he will be buying at 20, then he will get "off," that is, withdraw his bid. In a trice he will be offering Nickel at 20¼. He constantly carries on whispered conversations with his telephone boy. Or perhaps this communication is carried on by seemingly mysterious signals with the fingers. He is arbitraging.

Arbitrage is the operation by which markets are kept in line. The competition is terrific, but profits may bulk large, if the trader is smart and fortunate. Here's how he operates. In his office a telegrapher is in direct communication with the floor of the New York Exchange by the same wire route as he is with the Toronto Exchange. From New York comes the word: "Nickel 20¼ bid." Immediately the word is flashed to the Toronto floor trader. He bids 20, and perhaps buys 100 shares. These he sells immediately in New York at 20¼, thus making a profit of $25 less tax. Very simple—seemingly.

Many Complications

Foreign exchange values enter the arbitrage transaction. If the Canadian dollar is at a ten per cent discount, the arbitrage broker can pay more for Nickel in Toronto. Under these conditions he bids 22 in Toronto, when Nickel is 20¼ bid in New York. Cost of 100 shares in Toronto is $2,200. Value in New York is $2,025, plus 10 per cent exchange $202.50, a total of $2,227.50. His profit is $27.50, less tax. But it isn't as easy to get it as that. There is competition from other "wire traders." There is also the competition from orders of commission brokers, dealing for clients. And under present conditions, the foreign exchange rate's constant fluctuations must be kept in mind.

Despite these handicaps, arbitrage is carried on by numerous Toronto brokers.

Little wonder that there is no opportunity for the ordinary investor buying in one market and selling in another at a profit. He hasn't the lightning-fast wire, the expert assistants, the privilege of trading without commissions that the arbitrage expert possesses. Obviously, arbitrage keeps one market closely in line with another. If the price of any one stock is only slightly out of line in one market, it is quickly corrected by arbitrage operations. This is not because of any instinct to public service on the trader's part, but because of the profit he can make on the business.

After making our deal for 100 Nickel and watching the arbitrage broker at work, we can relax, if our business isn't too brisk. We look around. We go into the lounge. Here they are smoking, a forbidden pleasure on the floor. A game of dominoes is in progress; stakes unnamed, gambling also being frowned upon. In one corner a trader is asleep in a commodious leather armchair. His phone boy will awaken him, if necessary. Another trader is reading the morning paper. If things are very dull, someone may touch a match to the newspaper, giving the reader an unwelcome thrill and the joker a laugh. But this may mean trouble through retaliation or admonition for the perpetrator of the joke.

As three o'clock approaches the din of shouting and phone bells rises to a higher pitch. Finally, the closing moment comes. Clang! All is silent, except for conversations about the last trade or two. The sudden stillness, the quick exit of traders office-bound make a sharp contrast with the roar of the trading immediately before.

On that memorable Tuesday, Oct. 29, 1929, when the whole financial world seemed to be tumbling into the stock exchange for forced sale, the final gong did not still traders. All kept on shouting, and the noise finally developed into a sustained cheer of relief after one of the most arduous days in the history of the Bay Street market place.

The Clearing House

Now we are through with the exchange trading, and we wonder how all these transactions are settled. This, too, is done by an efficient piece of financial machinery, the clearing house. Through its offices each day pass all transactions that have taken place on the floor of the Exchange. Here, representatives of all Exchange members make settlement.

Were it not for the services of the clearing house, a vast army of messengers would have to be employed running to and from every office. Cheques by the hundred would be drawn and brokers would work day and night keeping track of the meanderings not only of their own messengers, but of those of every other brokerage house.

For the purpose of synopsis, let us examine 24 hours' work in the clearing house from beginning to end.

Each member of the Exchange lodges with the clearing house every afternoon a sheet showing every transaction that he has had on the Exchange for the day. All his selling transactions are on one side of the sheet, and his buying transactions on the other. The difference between the two sides shows what shares he owes and what stocks he has to receive, and the amount of money he has to pay, or to be paid.

When these sheets have been delivered to the clearing house, the members of the staff start at once to check them against one another, the items of the buyer against the items of the seller. Where any differences occur, the actual trading slip that was written on the floor of the Exchange is always taken as the final and deciding evidence.

Each stock is then checked to see that the amount to be delivered equals the amount to be received. This means the balancing and summarizing of from 120 to 140 stocks each day.

Cash balances are next listed. The amount of money to be paid daily into the clearing house must equal the amount of money distributed by it daily. Next day at noon each broker delivers to the clearing house the stocks and cash he owes. These are counted and examined carefully by the clearing house staff and then sorted in varying denominations of the same stock. The clearing staff then allocates to each broker the amount of cash due him. So within an hour of final receipt by the clearing house of all stocks and cash a complete settlement is made. And the day after the trades are made on the Exchange, the clearing house has settled all transactions, and is ready to handle another day's business.

CHARTERED TRUST and EXECUTOR COMPANY

34 King St. West
Toronto

132 St. James St. West
Montreal

Transfer Agents and Registrars

Trustees under Bond Mortgage, Executors, Administrators

JAMES Y. MURDOCH, K.C.
President

Vice-Presidents:
John J. Gibson,
W. S. Morden, K.C.

E. W. McNeill,
Secretary

Toronto Stock Sales Total Second Highest on Continent

Dollar Value Also Exceeds Total of Any Exchange Outside New York in Western Hemisphere—Listed Values Exceed Three Billions

Judged by the number of shares sold in 1932 and 1933 by the old Toronto Stock Exchange and the Standard Stock and Mining Exchange, the amalgamated body takes second place on this continent only to the New York Stock Exchange. It is true that total sales of the two exchanges at 267,719,131 shares include 255,000,000 million mining shares sold on the Standard Stock & Mining Exchange at an average value of $1.25 a share but the 12,500,000 shares sold on the old Toronto Stock Exchange had in the same period a value of $22.97 a share. The two together show a total value of sales as follows: Standard, $314,923,081; Toronto, $219,544,438; total, $534,568,519. It is a moot point whether or not the New York Curb attained this dollar total.

At present combined listings of the exchange total 586,370,159 shares, being composed of 457,147,141 mining and 129,223,018 industrial. As of the beginning of the year quoted values of all shares registered on the industrial section were $2,133,656,053, while those of the mining division were $979,547,013 a total of $3,113,202,066.

A list of sales of shares on all exchanges on this Continent has been prepared by the New York Produce Exchange. It is here reproduced to show that without doubt the Toronto Stock Exchange under the merger plan will be one of the leading mediums for the exchange of securities of all types on the Continent:

TORONTO STOCK SALES TOTAL
Total of Shares Traded

Stock Exchange	1933	1932
New York	654,816,452	425,234,294
Toronto .... (under merger)	267,719,131	81,946,009
N. Y. Curb	100,920,771	57,159,897
Chicago	19,288,800	15,642,000
N. Y. Produce ...	10,396,427	4,570,124
Boston	10,204,442	10,299,500
Salt Lake	8,700,158	3,617,445
San Francisco ..	8,129,554	7,058,715
Montreal	7,671,782	2,156,227
Philadelphia	7,550,351	6,592,342
California	6,612,521	4,786,644
Los Angeles Curb	5,922,176	3,106,501
Detroit	4,089,671	2,775,956
Los Angeles	3,228,819	3,068,749
Chicago Curb ...	3,136,400	840,200
Pittsburgh	2,382,442	1,551,958
San Fran. Curb .	2,099,054	1,401,017
Chicago Bd. of Tr.	1,657,024	1,155,648
Baltimore	683,086	350,285
Cleveland	488,281	407,463
Min.-St. Paul ...	363,161	315,312
Cincinnati	288,127	321,867
Richmond	52,157	11,950
Buffalo	274,377	610,078
St. Louis	145,400	165,042
New Orleans ...	94,869	52,212
Washington	11,438	9,085

In the above list share transactions for the various exchanges only are given.

Railway Earnings

Canadian Pacific Railway

	1933	1932	Increase
December	$	$	$
Gross earn.	9,912,738	9,701,199	211,538
Expenses .	6,666,340	7,390,450	*724,110
Net earn. .	3,246,397	2,310,749	935,648
12 Mos.			
Gross earn.	114,269,688	123,936,718	*9,667,025
Net earn. .	20,862,105	20,089,984	772,121

* Decrease.

Every Telephone
at his Finger-tips

Multiple Line Equipment has proven specially useful to brokers, bond houses and order-receiving departments. Ask your nearest Bell Telephone office for complete information.

THE BELL TELEPHONE COMPANY OF CANADA

Multiple Line Equipment

In an office with several telephones, Multiple Line Equipment enables any clerk to make use of all lines to "Central." Without leaving his desk, he can answer calls for any telephone. Or he can hold a customer on the line and use his telephone to get needed information from another person.

During a rush, calls are thus evenly distributed and quickly handled instead of piling up on a "busy" telephone. During off hours, when part of the staff is out, one clerk can answer all telephones at his own desk. Visible lamp signals prevent interference or confusion.

LISTING REQUIREMENTS STRICT AND ABOVEBOARD

(Continued from page 13)

vestor and the growing recognition of the need is signalized by new additions each quarter. With such reports the exchange is always willing to disseminate and gives as wide publicity as possible.

In these and many other ways the Exchange attempts to assure itself that the companies listed are those of reputable concerns engaged in the essential work of the commercial and mining life of the nation and are entitled to be listed and dealt in.

The Exchange, however, does not stand sponsor or endorse these securities because they are listed or even guarantee the information given. To do that would go beyond the primary functions of the Exchange, which is fundamentally only a market. That would require a continual analysis of each company and would not be physically or financially possible. Nor does the Exchange guarantee that the quoted value of any security at any time is absolute. The present or ultimate worth of any commodity in a free market is left entirely to the discretion of the individuals that go to make that market. Their conceptions of value must be the sole arbiter in the matter of determining price.

The question sometimes arises that if the Exchange gives no guarantee as to its securities what then is the advantage of listing either the investor or the company? To the investor the answer is fairly obvious. He has the tremendous factor of ready marketability in that he can find an immediate buyer at a price that can be estimated closely beforehand, even when his securities are offered at the market. Again, he is assured against the company in which he acquires an interest dissipating his equity by fraudulent over-issuance and he is protected as far as possible against counterfeiting of stock certificates. In addition he is kept reasonably informed of his company's progress and the ticker keeps him aware of the prevailing value of his holdings at all times.

To the company the privilege of having its securities listed has many desirable advantages. It brings the company in close touch with the general body of investors and the factor of marketability assures it of a medium for future expansion plans. It derives a form of gratuitous advertising by the constant quoting of the company's name in the daily stock lists, while the fact that company's securities are provided with a free continuous market gives them generally a sounder value than if they are left to the mercies of unregulated street trading.

Apple Exports Triple

The movement of apples from the Annapolis Valley to Halifax for export since the beginning of the season totalled 1,270,400 barrels, 27,940 half-barrels, 482 boxes and 798 cartons, as compared with 423,467 barrels, 16,971 half-barrels, 507 boxes and 851 cartons for the same period last year.

NEW STOCK GROUP INVADES EXCHANGE IN CHAIN STORES

(Continued from page 13)

capital—supplied by investors through the purchase of stock or other securities.

The financial record of Dominion Stores and Loblaw Groceterias Co., Ltd., is particularly favorable. In both cases the early financing was accomplished by the sale of preferred stock, and in the interval the preferred stock has all been retired. Ownership and participation in profits rests in the ordinary stock of each company.

Six Per Cent Return

Dominion Stores, Ltd., has earned and paid dividends on the common stock without interruption since 1923. The management of the company has been continuous under the same group since incorporation. The financial statement for 1933 will shortly be published.

Dividends on Dominion Stores stock at the current rate of $1.20 per annum, give a return to the investor at current market price of $20 per share of 6 per cent. The stock is listed on the New York Stock Exchange, as well as the Toronto Stock Exchange. Monthly reports of sales are given throughout the year.

Loblaw Groceterias Co., Ltd., has earned and paid dividends to common shareholders continuously since incorporation in 1921. The preferred stock was finally retired in 1929.

The stores of the company are somewhat different from those of other grocery chains, being self-serve groceterias. Each store has a relatively higher sales turnover than the stores of other chains. Recently complete meat, fruit and vegetable markets have been added to many stores and have been found profitable. The management of the company has remained in the hands of the same group continuously although public participation in the ownership of the company has largely increased during the past few years. Sales and earning records are published in 13 periods of four weeks each throughout the year. Two classes of stock are listed on the Toronto Stock Exchange and New York Curb. Both A and B stocks participate in dividends at the present time at the rate of 80c. a share per annum. The B is the voting stock and the A has certain preferred features. Dividends are being earned by a comfortable margin at the present time.

Stop & Shop has had two financial reorganizations since originally opened and is reported to be operating on a more profitable basis than heretofore. No dividends have been paid as yet on the common stock which is listed on the Toronto Stock Exchange.

Coast Lumber Sales

Although the sale of British Columbia lumber in Canadian and United States markets was reduced by 1,242,331 feet between 1919 and 1933, heavy gains in the United Kingdom, China, Australia and Africa have largely made up the loss, it is reported by the British Columbia Lumber and Shingle Manufacturers' Association.

ANNOUNCING

the amalgamation of

The STANDARD STOCK and MINING EXCHANGE

and

THE TORONTO STOCK EXCHANGE

into one corporate entity under the title of

The Toronto Stock Exchange

In centralizing existing facilities for trading, the new organization strengthens all those many indispensable functions performed in the past for Canadian business and investors by the two exchanges in bringing them under unified control and direction.

To the welfare of mining and industrial finance, to investors and the Canadian public alike, the newly combined Toronto Stock Exchange dedicates its full services.

LIST OF MEMBERS

Aird Macleod & Co.
Ames & Co., A. E.
Barber, John R.
Barrett & Co., R. P.
Beilby, Coleman, Evans & Grant
Biggar & Crawford
Blackstock & Co., G. G.
Blaikie & Co., Geo. W.
Bongard & Co.
Boys & Co., T. Ross
Brouse, Mitchell & Co.
Buchanan, Seagram & Co.
Burgess & Co. C. H.
Butler, Hevenor & Co.
Cameron & Co., A. G.
Cameron, Pointon & Merritt
Cannon & Co., J. P.
Cassels Son & Co.
Chambers & Co.
Chisholm & Co. H. M.
Cochran, Murray & Hay
Colling & Colling
Coulter & Co., C. I.
Crang, Burke & Co. Reg'd
Crang & Co. J. H.
Crawford & Co., F. J.
Deacon & Co., F. H.
Dickson, Jolliffe & Co.
Dobie & Co., Draper
Doherty, Roadhouse & Co.
Duncanson, White & Co.
Eastwood & Co., J. T.
Fergusson, Turner & Co.
Fields, & Co., C. C.
Fleming, Murray P.
Francis, & Co. Jay L.
Fraser, Dingman & Co.
Gamble, R. C. & Co.
Gardiner, Wardrop & Co.
Gentles & Co., C. A.
Goad & Co. J. L.
Grasett & Co., J. E.
Haig, Rennie & Co.
Hambly, Peaker & Armstrong
Harcourt, Poupore & Co.
Harris, Ramsay & Co.
Harley, Easton, Fisher & Mc-
Hogg & Co., W. F. (Donagh
Housser & Co., H. B.
Jenks Gwynne & Co.
Leslie & Co., F. S.
Lorsch & Co.
Mackellar & Co., S. R.
Macdonald & Co., W. M.
Macrae, Norman
Mara & McCarthy
Matthews & Co.
McLeod, Young & Scott
McMillan, Guest & Co.
Merry, R. L.
Milner, Ross & Co.
Mitchell & Co., W. G.
Mooney & Co., J. R.
Moore & Simpson
Moss, Lawson & Co.
Nicholson & Co., G. W.
O'Hearn & Co., F.
Osler & Co., A. E.
Osler, G. S.
Osler & Hammond
Pardoe & Co., Avern
Pierce & Co., E. A.
Playfair & Co.
Plummer & Co., H. L.
Racine & Co.
Rittenhouse, Hamilton & Co.
Scott & Co., J. M. Jr.
Seagram, Harris & Ericker
Somerville, G. A.
Spicer, H. S.
Stewart, McNair & Co.
Stratton, Hopkins & Hutson
Stratton, W. W
Timmins & Co., J. R.
Urquhart & Co., N. C.
Watson, Wallace & Co.
Watt & Watt
Watts & Co., A. D.
West & Co., L. J.
Williams, McLean & Bell
Wills, Bickle & Robertson
Wilson & Co.

The Toronto Stock Exchange

Security Market for all Listed Mining and Industrial Securities of the Dominion

238 BAY STREET
33 TEMPERANCE STREET

TORONTO

16 GROUPS ARE LISTED ON EXCHANGE

Over Half Billion Shares Exceed Three Billions in Value

DIVERSIFIED LIST

Every Phase of Canadian Life Represented by Securities Traded at Toronto

Sixteen major groups of stocks, comprising securities of food, utility, transportation, gold mine, base metal, oil producing and distributing, bank, financial, silver mine, merchandising concerns, milling, agricultural implement and other major business concerns in the Dominion, are listed on the Toronto Stock Exchange.

As a gauge to measure current business, the daily movements of the stock list on the merged Toronto Stock Exchange, therefore provide an index of conditions in industrial, financial and mining life of the Dominion comparable to that performed by stock list on the New York Stock Exchange for the United States.

On the merged list, securities of every industrial phase of the Dominion are represented with total listings comprising approximately 78 per cent of the country's issued corporate stocks.

Liquor and Beverage Group

Dominant of late on the industrial section of the Toronto Stock Exchange has been the alcohol and beverage group. Helped out by the repeal of prohibition in the United States and the steady drive among the provinces of Canada away from absolute prohibition toward government regulation of liquor and beer, this group, led by Hiram Walker, Distiller Seagram and Canadian Industrial Alcohol provided most of the action on the board. In 1930 the percentage of trading in the section to total sales of all stocks was only 13.4, in 1931 the percentage dropped to 10.6, in 1932 it worked up to 18.0 while last year the percentage jumped to 41.9 of the total. Price levels of issues in the group during the last year showed huge increases, based primarily on the increased prospects of the sales of alcohol on hand and the better earnings per share.

Oil Group Stocks

During the past two decades, the refining and distribution of oil have shown remarkable strides. Not only have the old established oil refineries shown a record of expansion in business, earnings, and dividends paid, but new companies have been formed from time to time and have, generally speaking, met with success.

The industry in Canada has, in recent years, been much more stable than in the United States. For some time the Canadian companies felt the effects of dumping on the market here of distress supplies from across the border, but action of the Dominion Government in enforcing anti-dumping legislation relieved the situation considerably. Imperial Oil, International Petroleum, controlled by Standard Oil of New Jersey and British American Oil are the principal companies in the group.

Power And Utility Group

Surveys show that the Dominion has water power resources, developed and undeveloped, aggregating 43,000,000 h.p. This leaves 36,875,000 h.p. still undeveloped, the bulk of which is favorably located for the supplying of industrial demand for energy, and places Canada in a commanding position to attract new industries on a large scale for many years to come.

The rapid growth of the power industry in Canada is indicated by the fact that, of the 14 leading power companies whose securities are listed on Toronto Stock Exchange, only four were operating in 1910: Montreal Power, Shawinigan Water & Power, Winnipeg Electric, and Ottawa L. H. & P. The others have all been established during the last 20 years and several within the last 10 years.

The iron and steel companies in Canada, serving a small market with the chief centres of industry spread over a wide area, involving heavy freight costs or heavy overhead charges through the establishment of plants and distribution warehouses across the country, have been forced to consider every economy in operation in order to maintain their existence. Hence some of the operators have built up units which compare favorably for general efficiency and low cost production with any others in the world.

Operators in the industry in Canada fall under several different classifications. Steel Company of Canada is the Canadian prototype of the U. S. Steel Corp. by virtue of the wide variety of its products, its strong balance sheet position, the impressive record of earnings and dividends on its outstanding stocks, and the great efficiency of its various plants.

Equipment Group

The heavy manufacturing and equipment group of companies listed on the Toronto Stock Exchange comprise structural steel, locomotive and railway cars, and railway equipment manufacturers which have expanded in productive facilities over a period of years, coincident with the large scale growth that has taken place in building construction, and in railroad transportation. Most of the companies have shown themselves peculiarly sensitive to general economic conditions prevailing in the country. Requiring as it does an extensive system of huge plants, this group is an important factor in the industrial life of the country and among the leading employers of labor in times of normal operations. In the structural steel industry, Dominion Bridge Co. is the leading operator.

Foods Important

The position of Canada in world wheat production has made it inevitable that flour milling and grain handling would constitute two of the most important industries in the country. While the securities of the principal flour milling companies have been in the hands of the public, and have been favorite media for investment, on the Toronto Stock Exchange for many years, it is only within recent years that public financing of grain handling and elevator companies has developed on anything like a large scale. The chief reason for this is that, while flour milling has for a long time been chiefly concentrated in a few strong companies with country-wide ramifications, the grain handling and elevator business was, up until recently, in the hands of an army of small ownership or with a comparatively narrow security interest.

The chain method of retail food merchandising, although of comparatively recent origin on this continent, has shown tremendous growth during the past decade. Loblaw and Dominion Stores are leading examples.

Construction Group

Construction, in all its branches, domestic, commercial, and engineering, has, during the past decade registered tremendous strides in the Dominion, more especially in recent years, that have brought many huge new power developments, tremendous plant expansion in many lines of industry, changes in building regulations in many cities, the erection of commercial skyscrapers, and a changing trend in residential conditions.

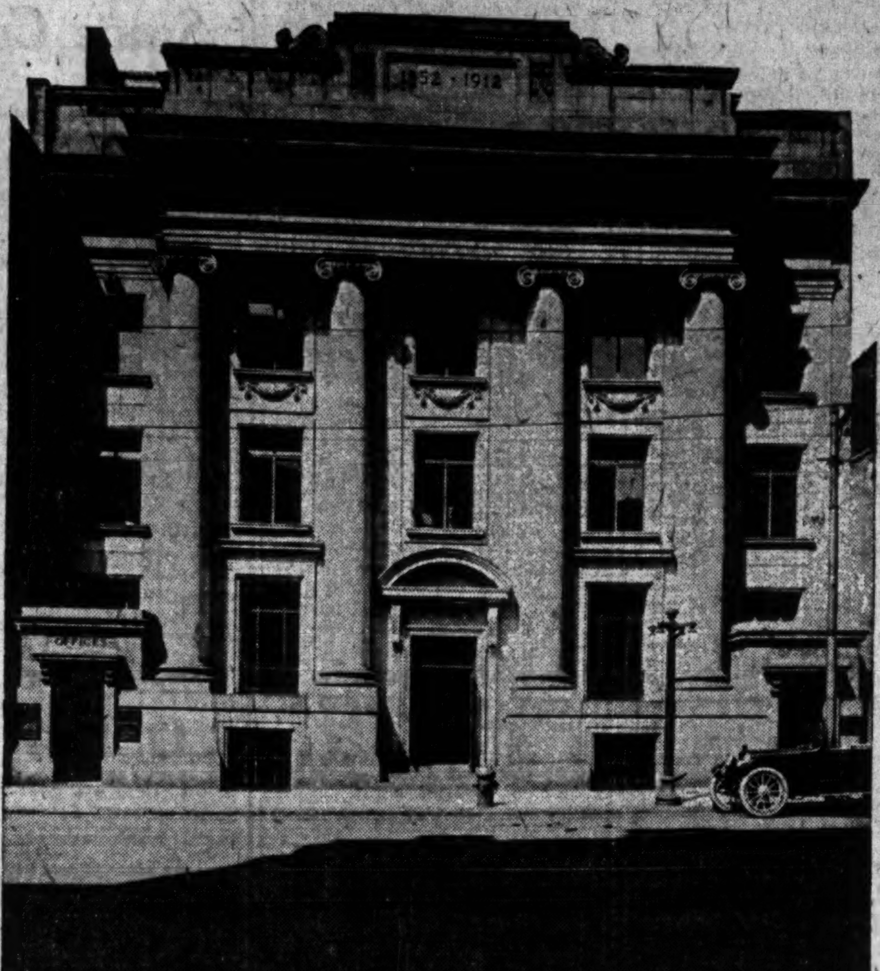
Canada Cement Co., the pioneer member of the building materials group in so far as public participation is concerned, has a past record of large scale expansion. Stocks of this group listed on the Toronto Stock Exchange are expected to benefit materially from any St. Lawrence Waterway development that may arise.

Miscellaneous Group

A few important corporations can not be included among the principal classes cited. Chief among these are the Canadian Pacific Railway, Bell Telephone of Canada, Ford Motors of Canada, Goodyear Tire of Canada, Moore Corporation, Simpsons, Ltd., and Massey Harris.

Name of Group	No. of Issues	Shares Issued	Market Values in $
Base Metals Senior	12	42,529,142	$519,316,883
Base Metals Junior	21	64,266,905	1,738,204
Construction	42	5,321,843	116,408,643
Finance	21	2,665,974	253,804,701
Foods	52	4,425,108	76,139,604
Gas and Oils	30	35,394,985	21,132,600
Golds Senior	8	21,730,228	310,372,988
Golds Junior	20	64,262,878	52,037,513
Gold Prospects	53	138,472,477	15,848,357
Liquors	13	11,179,548	124,898,148
Misc. Industrials	74	21,775,549	212,956,467
Motors and Allied	7	2,205,961	46,365,404
Oils	15	45,122,112	689,136,596
Silvers	9	24,872,604	20,538,936
Utilities	24	36,326,923	613,945,490
Totals	426	586,370,159	$3,113,202,066

Toronto Stock Exchange



Fine Bay Street building housing 82-year-old financial market-place. Mining business of the Exchange will in future be transacted in the old building of the Standard Stock & Mining Exchange, interior views of which are given elsewhere in this issue and well illustrating the modern devices and constant activity always characterizing this department of the stock market.

Northern Quebec Power Power Line is Approved

From Our Own Correspondent

MONTREAL.—Application of Northern Quebec Power Co., subsidiary of Canada Northern Power Corp., to the Quebec Public Service Comm. for permission to construct a transmission line from Noranda to Bourmalaque Township has been granted.

This transmission line will extend over a distance of 60 miles and will pass through the townships of Bouquette, Cadillac, Malartic, Varsan, Dubuisson and Bourlamaque. In these townships are located such mines as Siscoe, Cadillac-O'Brien, Thompson-Cadillac, Pandora, Malartic, Sullivan, Greene Stabell. Several of these mines have reached production stage and are awaiting hydro-electric power to start operations on a large scale.

Clearing of the right-of-way from Noranda to Bourmalaque has been completed and the necessary material assembled in order that construction of the transmission line can be carried through with despatch and the mines served with power by the coming summer.

Nickel Output in November Highest Since Dec., 1929

Canada's nickel output in November advanced to 10,826,957 pounds, the highest monthly production on record since December, 1929. The October total was 10,714,021 pounds and the November, 1932, output 1,225,741.

During the eleven months ending November, 74,319,198 pounds were produced as compared with 28,962,031 in the corresponding period of 1932.

DISTILLERS CORP. EARNINGS IN 1933 DECLINE SLIGHTLY

Report Does Not Reflect Change in United States

LOANS ARE REDUCED

Interim Report Indicates Marked Improvement in Earning Power Since July

From Our Own Correspondent

MONTREAL.—Distillers Corp.-Seagrams' report for the year ended July 31, 1933, does not reflect the change in prohibition regulations in the United States which took place later on in the year.

Gross profits for the 1933 fiscal year totalled $1,266,614 compared with $1,529,463 in the previous year. After providing for expenses, net earnings, before taxes, equalled $830,305 or about $190,000 less than in 1932.

What the change in the American regulations regarding prohibition means to the company is seen in an interim statement issued by the company covering operations for the three months ended October 31, 1933. In that period profits amounted to $624,745 from which was deduced interest on special loans and advances and depreciation, leaving a net income of $532,976.

Larger Earnings Seen

With a continuation of this earning power during the balance of the 1934 fiscal year, the company would earn over $2,000,000 or more than twice as much as in the year just passed.

Particulars of the profit and loss account figures for the fiscal years 1933, 1932 and 1931 follow:

	1932-33	1931-32	1930-31
Profits ...	$1,266,614	$1,539,463	$2,767,596
Loan int. .	235,240	310,399	302,396
Deprec. ...	201,068	209,024	199,146
*Net earn..	$ 830,305	$1,010,038	$2,265,752
Divids.	......	......	1,500,006
Surplus ...	$ 830,305	$1,010,038	$ 765,746
Surplus ...	†5,107,045	‡4,593,116	‡3,894,599
P. and L..	$5,937,351	$5,603,154	$4,470,345

*Before providing for income tax.

†After deduction of income tax payments, and deducting also $72,500, reserves for contingencies.

‡After adjustment for income tax.

Working Capital Position

	1933	1932	1931
	$	$	$
Cr. assets .	10,856,057	11,025,057	11,914,134
Cr. liabs. ..	380,351	445,274	1,936,424
Wk. cap. .	10,475,706	10,579,783	9,977,710

Special Loans Down

There was only a moderate change in the value of assets of Distillers as at the end of July, 1933. Special loans were reduced by more than $1,000,000 to $3,000,000. By the end of October these loans had again been reduced to $2,550,000.

Depreciation and contingent reserves were added to during the year and now total over $1,400,000 as compared with about $1,180,000 on July 31, 1932.

No change has taken place in the amount of outstanding common stock, which stands at 1,500,006 shares.

Among the assets, plant account is practically unchanged at $14,898,822.

Lower Inventory Values

Inventories are shown on the books at $9,736,264, a decline of a little over $200,000 during the year. At the end of October inventories are shown on the interim report at $9,634,815.

Accounts receivable show a moderate decline at $840,953 at the end of July last, while at the end of October they totalled $1,291,823.

Investments were increased during the 1933 fiscal year from $63,086 to $93,944.

Cash on hand and in the banks was up from $112,150 to $128,008.

Change in Officers

At the annual meeting of the shareholders, announcement was made of the resignation of the president, W. H. Ross, of Edinburgh. Samuel Bronfman was elected to succeed him, while Aaron Bronfman was appointed vice-president. Aime Geoffrion, K.C., was elected to the board.

Comments on Situation

In his address to shareholders, Samuel Bronfman had the following to say in part:

"In October, when repeal in the United States appeared assured, your directors entered into negotiations with American interests and on November 16 last, an agreement was consummated with the Rossville Union Distilleries Inc., whereby it was agreed to issue to the Rossville Company 172,623 shares of your company in exchange for $2,400,000 in cash and the large Rossville Distillery plant at Lawrenceburg, Indiana. By this purchase your company was able to immediately enter the American market equipped with an operating distillery. A new wholly owned subsidiary of your company, i.e., Joseph E. Seagram and Sons Inc., was incorporated under the laws of the State of Indiana, to take over the ownership and operation of the newly acquired distillery and alterations and additions were immediately undertaken to bring it up to the highly efficient standard of your Canadian plants, and to increase the storage capacity by the erection of additional warehouses so that the company's policy of marketing only whiskies 'aged in the wood' may be carried on in the American field as is strictly adhered to in Canada. The Indiana plant is and has been operating continuously and is laying down stocks of whisky for maturity.

"It will interest you to know that the 172,623 new shares of your company issued to the Rossville Union Distilleries, Inc: have already been distributed pro rata to the shareholders of that company resident in the United States, thereby enlisting the goodwill of approximately 1,400 American shareholders in the welfare of your company and its subsidiaries.

Hold Largest Stocks

"In view of the shortage of the aged whiskies in the United States, there is a demand from distillers, rectifiers and blenders for matured American type rye and Bourbon whiskies for blending purposes, and your company being the holder in its bonded warehouses in Canada of the largest stocks of these types of whisky in existence, is in a position not only to supply your American subsidiary with a sufficient quantity for its requirements in the development of its business, but is also prepared to make a portion of these stocks available to others in the industry. Advantageous sale of some bulk whisky has already been made and further sales are being negotiated.

"In addition, your directors have other negotiations in hand, but as these negotiations are still pending, I am not yet in a position to make any definite statement in regard thereto.

Relations With Distillers

"The repeal of the 18th Amendment in the United States and the opening of that country to the importation of spirits has radically changed the situation for distillers the whole world over, and particularly for such important companies in the industry, as The Distillers Co. which markets exclusively Scotch whiskies and gins, and ourselves who have large stocks of American type ryes and Bourbons peculiarly suitable for the American market. Having regard to these circumstances and in order to avoid conflict of interest it was thought advisable and in the best interests of both companies that each should have the fullest freedom of action in their respective spheres for the sale of their products in the American market, and be in a position to pursue such policies as it might from time to time determine. The decision having been reached the interest of the Distillers Co. which had been created pursuant to the original agreement between them and the Bronfman interest was taken over in accordance with the provisions thereof.

"Your company will continue to market in Canada the same brands of whiskies and gins of the Distillers Co. and its Scottish and English associates.

Mount Royal Hotel Directors Are Re-elected

From Our Own Correspondent

MONTREAL.—Mount Royal Hotel Co. shareholders' annual meeting was routine, with report for 1933 being adopted and directors re-appointed without change, as follows:

J. Alderic Raymond, Ernest R. Decary, Hon. Walter G. Mitchell; Ward C. Pitfield, Melvin A. Thomson, Wilbert H. Howard, Peter A. Thomson, John Leslie and Vernon G. Cardy.

Officers were appointed as follows: J. Alderic Raymond, president; Ernest R. Decary, vice-president; Vernon G. Cardy, managing director; Melvin A. Thomson, secretary-treasurer and J. Albert Shink, assistant secretary.

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In 1910, he was joined by W. A. Woodcock, who was later admitted to partnership in 1914.

In 1921, the firm was changed to C. H. Burgess & Co. Limited.

A seat on the Toronto Stock Exchange was purchased by Mr. Burgess in 1923.

The Stock Exchange business was transferred to Charles H. Burgess & Company in 1930.

In 1933, C. P. Lailey and Horace T. Burgess were admitted to partnership in this company.

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Exchange Merger Coup Is Response to Demand For Broad Public Mart

Manifold Advantages Foreseen for Public in Single Transfer Agency, Greater Fluidity of Capital, Ability to Take Care of Larger Investment Demand Internationally

Merger of the old Toronto Stock Exchange and the Standard Stock & Mining Exchange into one single exchange to be known hereafter as the Toronto Stock Exchange went into effect on February 5 of this week. The two flourishing institutions have joined corporate identities because the members of both believe that a combination of industrial and mining trading under one composite exchange will be of distinct advantage to the interests of investors and the general financial life of the Dominion and thence to the broker-members themselves.

Advantages

The advantages which led members to agree to this merger are as follows:

1st, by ending situation where there was a sharp division in trading in mining and industrial shares, the previously divergent streams of capital will be correlated, permitting greater fluidity of the capital necessary for the nation's business;

2nd, the scope of business will be greatly broadened, it is expected;

3rd, a uniformity of practice will be established which will lead to increased co-operation in the direction of protecting the interests of Canadian investors;

4th, the amalgamated body being the largest stock exchange on this continent outside of New York City in the matter of volume and values of security transactions, will take its place with the leading exchanges of the world and be large enough to provide market facilities for investment that was not possible under dual existence;

5th, as mining industry has now reached a stage in its growth that places it among the primary interests of the nation, any necessity there may have been once for distinct financing and separate market representation must now be rapidly moving toward a vanishing point;

6th, a single medium of transfer ends the former situation where excess capital as represented by each of the former exchanges was slow at times to move out of its own channel, thus retarding a desirable easy flow of funds in and out of all industry.

Listings Comprehensive

Listings of the new exchange will include most of Canada's industrial and financial corporate securities formerly listed on the old Toronto Stock Exchange (235 in all) and 170 regularly traded mining and oil stocks hitherto listed on the Standard Stock & Mining Exchange. This will mean that about 617,000,000 shares are eligible for trading on the new exchange. Two-thirds of these shares represent mining and oil securities from the Standard with par value around $1 or no par value and the remainder shares of $100 par value and no par value formerly listed on the Toronto Stock Exchange (old). Actual valuations on the market of these listings contributed by the two exchanges are about the same though Standard in 1933 had the highest valuation of shares actually sold.

Has 113 Members

Under the merger 62 members of the Toronto Stock Exchange and 51 members of the Standard Stock and Mining Exchange give the new organization a roll of 113 members.

Assets of the two bodies become the property of the merged exchange on which members of the old organizations have each purchased a seat. It is understood that the price paid for these seats will be sufficient to provide ample working capital for the proper maintenance and efficiency of high standards of trading and also provide a strong reserve fund.

Pending the erection of a building suitable to house the combined lists, trading will be conducted on separate floors as in the past. Mining shares will be transacted on Temperance Street in the Standard Stock and Mining Exchange building while industrial and financial shares will be traded in the Toronto Stock Exchange building on Bay Street. Nearly all members are taking measures to be represented on both floors. Telephone, annunciator board and other facilities for trading on both exchanges have been stepped up to accommodate the additional firm representatives on each floor.

The net result is that, dating from February 5, orders for Canadian securities of any class can be executed by any one member firm direct without the intervention of a second broker. This compares with the past procedure of a Standard member turning over industrial business to a Toronto member and vice versa with the latter in mining stocks.

Management

Management of the new exchange will be in the hands of a committee holding office until June, 1935. This joint committee, composed of eight members, four from each body, are: Harold Franks, president of the Toronto Stock Exchange, G. W. Nicholson, president of the old Standard; N. C. Urquhart, F. J. Crawford and the Hon. Manning W. Doherty of the Standard and H. B. Housser, F. G. Lawson, and E. Gordon Wills of the old Toronto.

This committee will have complete control and will also have power to delegate some of its duties to sub-committees, two of which will be floor committees to guide and adjudicate on trading of the respective sections of the Exchange. That for the industrial section will have three Toronto members and two from the Standard while that for the mining section will have three of its own members and two from the Toronto.

In each case the two members of the floor committee from the other unit will be committee members of their own floor. By this means a perfect interlocking directorate will be effected and when the time comes for a physical merger of the exchange each group will have acquired a thorough understanding of the operations of the other.

At present combined listings of the newly constituted exchange total 586,370,159 shares being composed of 129,223,018 industrial and 457,147,141 mining. As of the beginning of the year quoted values of all shares registered on the industrial section was $2,133,656,053 while those of the mining division were $979,547,013 making a total of $3,113,202,066.

Volume for the year 1933 of the two exchanges ran to 267,719,131 shares; of these the value of individual issues ranged to as high as $425 in the case of the great Canadian financial institutions while the average price of all stocks at the end of the year was $21.37. Stock clearing figures showed total values of all contracts went over $1,068,000,000, the industrial section providing $439,088,876 and the mining $629,846,162.

Dividend payments disbursed by companies listed on the two exchanges during the twelve months totalled $116,009,681 which was approximately 82 per cent of all dividends paid by the public corporate companies in Canada for 1933.

EASY WASHING LOSS REDUCED; BANK LOAN DOWN

Showed Some Profit in Latter Months of 1933

Operating loss of $29,636 by Easy Washing Machine Co. in 1933 compares favorably with loss of $76,067 shown in 1932 and loss of $113,032 in 1931. Of the 1933 loss, $21,884 was incurred in the first five months of the year and for several months in the second half of the year a small profit was earned. While working capital was necessarily reduced the ratio of current assets to current liabilities was increased to 3.95 to 1 from 2.66 to 1 at the end of 1932 and bank loans were reduced to $11,000 from $58,000.

Improvement in the last half of 1933 is attributed in part to better business conditions, but mainly to the new merchandising and sales programme that has been put into effect. Dealer organization was extended during 1933, while further operating economies were also effected. The income and surplus account for the past two years is as follows:

Cons. Income and Surplus Account
Years Ended December 31

	1933 $	1932 $
Net loss on oper.*	29,636	76,067
Add: Res. for loss on reposses.	......	58,788
Net loss	29,636	134,855
Add: Prev. deficit	357,893	216,260
Loss on fixed assets	6,136	1,668
Adjust. pr. yrs.	7,520	5,101
Deficit forward	401,185	357,893

*After all operating expenses and depreciation.

Reduction in current assets has been chiefly in decrease in retail accounts receivable which are down to $22,990 from $79,697; wholesale accounts are down to $39,744 from $53,126; inventories to $82,390 from $91,532 and cash to $570, from $3,315. In addition to the reduction in bank loan, accounts payable have been reduced to $24,207 from $24,956. Working capital position is as follows:

Working Capital

	1933 $	1932 $
Current assets	147,864	228,889
Current liabilities	37,352	86,008
Working capital	110,512	142,881
Ratio	3.95—1	2.66—1

Machinery and equipment are shown at $28,927, after reserve for depreciation, as compared with $33,936 in 1932. Furniture and fixtures, after reserve, are shown at $5,057. Goodwill remains at $166,709. There remains outstanding 3,975 shares of 7 per cent preferred stock of $100 par value and 38,535 shares of no par common. Deficit, as indicated in income and surplus account, is up to $401,185 from $357,893.

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J. S. MITCHELL SALES LOWER FOR PAST YEAR

More Stock Redeemed and Cash Position Remains Strong

From Our Own Correspondent

MONTREAL.—J. S. Mitchell & Co., engaged in the wholesale and retail distribution of contractors' supplies and hardware in the Eastern Townships of Quebec, reports a moderate decline in gross trading profits and net income for 1933 compared with the previous year. At the same time the company has managed to maintain its strong liquid position and to make further reductions in outstanding preferred stock and mortgage on property.

Net profits for the year after making full provision for depreciation on buildings, equipment and accounts receivable, as well as 1933 income tax, amounted to $10,990. This necessitated drawing on the surplus account to the extent of $10,892 in order to cover the full dividend on the preferred stock amounting to $22,172.

Small Deficit Shown

Particulars of the profit and loss income account for the past two years follow:

	1932	1933
Net earnings	*$ 4,927	$ 10,990
Other income	27,016	337
Net profit	22,089	11,327
Less: pfd. dvds.	23,014	22,172
Surplus	*926	*10,845
Brought forward	334,747	331,616
Less: income tax	1,306	47
Prem. stock red.	900	......
Carried forward	$31,617	320,724

*Deficit.

Strong Liquid Position

At the end of last year the company had assets of $1,183,831. This represents a gain of about $16,000 over that reported at the close of 1932. As in previous reports, the strong liquid position of the company is a feature of the balance sheet. The current assets amount to $801,078, of which cash on hand totals $222,649. Accounts and bills receivable, as well as inventories, show relatively little change from that reported a year ago.

Fixed assets, less reserve for depreciation, are carried on the books at $380,124, while defered charges total $2,627.

Reduce Liabilities

A survey of the liabilities shows that during the year, the outstanding mortgage was reduced from $72,000 to $62,000. Further preferred stock was redeemed during the past 12 months, the amount outstanding now totalling $314,500 compared with $322,000 on December 31, 1932.

Current liabilities aggregate $746,161, a gain of nearly $45,000 over 1932 due to an increase in accounts payable.

Other People's Views

Canada's Reliance on Mining

Journal of Commerce, N.Y. — Canadian prosperity generally has been considered as hinging chiefly upon the agricultural industry, but in recent years manufacturing has expanded substantially, and still more recently mining has occupied an increasingly important place in the national economy. Expansion in non-ferrous mining operations last year not only contributed to improvement in the employment situation but also has been a large factor in the increasingly favorable foreign trade showing.

During the past year production of nickel was increased to nearly three times the figure for the previous year, while copper, lead and zinc outputs were substantially larger than in 1932. The amount of gold mined was slightly lower than in the previous year because of utilization of low grade ores, but the dollar value was approximately 30 per cent higher. Silver production was just about equal to the 1932 record. At the same time stocks of some metals have been reduced with exports for the eleven months ended November 43 per cent above 1932 levels.

This expansion in the mining industry in Canada is gratifying not only because of the immediate benefits accruing the country but also because by thus decreasing reliance upon agriculture the financial stability of the nation is improved.

New Books

Canada, 1934

The miniature Canada Year Book, known as "Canada, 1934" and described as an "official hand book of present conditions and recent progress" has just been issued by the Dominion Bureau of Statistics.

Published originally a few years ago the booklet is an attempt to give a brief picture in story and pictorial form of the various aspects of life within the Dominion and also to bring up-to-date much of the statistical material published from week to week and month to month by the Dominion Bureau of Statistics.

In addition to a summary of the world situation (particularly with reference to Canada) such matters as the physiography of the country, its population, wealth and production, agriculture, manufacture, finance, labor, education and so forth, are briefly dealt with. Some historic and descriptive information is given in addition to current information.

Originally, the booklet sold for 25c a copy but no mention of price is made in the current edition.

Since Confederation—

On the day of Canada's Confederation, 1st of July, 1867, Edmund B. Osler and Henry M. Pellatt formed a partnership under the name of Pellatt & Osler, and in 1869 the firm secured subscriptions for the capital of the then newly formed Dominion Bank.

The Toronto Stock Exchange was incorporated in 1878, with Mr. Osler as a charter member.

In 1882 E. B. Osler was joined by H. C. Hammond, when the firm name became Osler & Hammond. Mr. Hammond was President of the Toronto Stock Exchange in 1887, and Mr. (later Sir Edmund) Osler continued senior partner of the firm until his death in 1924.

In 1883 A. M. Nanton, one of the staff, went to Winnipeg to open an office there under the firm name of Osler, Hammond & Nanton, and in 1895, R. A. Smith, another of the staff, was admitted to partnership at Toronto. Mr. Smith was President of the Stock Exchange in 1902.

Mr. Hammond died in 1909, Mr. Smith in 1912, and Mr. (then Sir Augustus) Nanton in 1925.

Mr. F. G. Osler became a partner in 1899, and was President of the Stock Exchange in 1912.

In 1912 Mr. G. T. Chisholm, Mr. H. F. Marriott and Mr. Harold Franks (this year President of the Stock Exchange) became partners.

Membership in the Montreal Stock Exchange was obtained in 1920 and an office in that City opened in 1928, the present resident partners there being Mr. F. J. Smith and Mr. Hugh Burnett.

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Quebec Commercial Firms May Join Workmen's Comp.

Commercial establishments are slated to come under the jurisdiction of the Quebec Workmen's Compensation Board in addition to industrial firms according to an announcement made recently by Gerard Tremblay, provincial deputy minister of labor.

Mr. Tremblay said that while nothing official had yet been announced, it had been decided that the department would have authority over commercial establishments whose employees, just as those of industrial plants, needed protection. He stated that one of the chief evils was that employers, while obeying early closing regulations, forced their staffs to remain and clean up and change displays. Some of these employees were working as much as 90 hours a week, he said.

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No Intervention of Central Nor of Dials as Sales and Purchases Flow and Ebb

The telephone stands foremost among the requirements of brokerage firms represented on the new Toronto Stock Exchange. The buying and selling of stocks by telephone has by reason of engineering advance become the easiest and fastest method known.

One who decides to buy or sell a stock, telephones to the office of a listed brokerage firm. The call is answered by a switchboard attendant, who makes connection with a customer's man. The latter gives the client latest quotations on the stock or stocks enquired about and a "buy" or "sell" slip is made out to cover the client's order. This slip is immediately handed to the order department.

In a large firm one would probably find four order clerks wearing chest telephone sets at a specially designed table. Mounted in the table are rows of little levers and small signal lights. By operating the keys, direct and immediate connection is obtained with the two floors of the exchange or with other brokerage houses, if desired.

Calls Seen and Heard

Upon receipt of the "buy" or "sell" slip, one of these order clerks presses the lever establishing contact with the telephone in his firm's booth at the exchange and relays the information to the floor trader. Providing the desired transaction can be made, it is only a few seconds before the order clerk receives word from the floor that the order is filled and this information is passed on by the customer's man. Confirmation of the order, transfer of the stocks and the payment are normally arranged by mail.

The floors of the Toronto Stock Exchange are completely surrounded with brokers' telephone booths. In each booth there is one or more specially designed hand telephone. These telephones are somewhat different to those in general use in an office or home. There is no dial, that would be much too slow. The trader simply lifts his receiver and is automatically connected to the order clerk's desk at his own office. Another unusual feature of these instruments is the fact that incoming calls not only ring the telephone bell, but also make themselves apparent on a large annunciator system high up on the wall of the exchange, where they can be seen from all parts of the floors.

This arrangement eliminates much of the confusion that would be caused in trying to distinguish the bells.

Continual Improvements

As each broker has his own method of handling his business, and frequently makes changes, the Bell Telephone Co. has to keep in constant touch with the various houses in order that the equipment can be constantly adapted to meet individual needs.

The telephone equipment used in one of the larger wire houses, with private wire connections carrying orders from stock centres all over the continent, is very extensive. In one standard office of this description one sees a custom-built table thirty-two feet long, equipped with the latest automatic time clocks, visible order files, telegraph keys and rows of small telephone keys and signal lamps mounted in the table. Sixteen men with operators' chest sets are at this table, and have direct private wire talking connection with practically all the order departments of other brokers in the city.

These keys and signal lights eliminate the necessity of dozens of individual telephones and bells which would otherwise be required.

Relieves Traffic

Multiply the equipment of this one office by the number of brokerage offices, nd one may visualize what an intricate network of wires runs in every direction imaginable in downtown Toronto, each wire transmitting its own particular message without any switching of calls whatever at the telephone exchanges.

In addition to the special equipment required by the member brokers, modern switchboards are also in operation at the two exchange floors. These switchboards are primarily used for the general exchange administration.

Thousands of calls are placed daily to and from the Stock Exchange. Thousands of additional calls are routed over the private wires to and from the various offices. Imagine what downtown traffic conditions would be if there should be a failure in these private wire connections. But unremitting care is needed to keep them going.

C. N. Telegraph Ticker Service Just Installed is Modern Marvel

INSTANTANEOUS

Split-Second Efficiency in Handling Transactions and Quotations at Peak of Active Business

Although high mechanical efficiency had already been attained in the ticker service provided for both the old Toronto Stock Exchange and the Standard Stock & Mining Exchange, expectation of the merger spurred up the engineers of the Canadian National Telegraph Co. to provide a service which would be the last word in efficiency and dispatch. To handle the business from two buildings and with many added traders on both the mining and industrial floors, every modern device has been pressed into service to the end that no exchange in the world will be able to give quicker dispatch to each day's transactions than can the exchange with mechanical transmission facilities provided.

Started by Standard

The new service had its initial installation in February of 1933 and was then intended to meet the growing requirements of the Standard Stock & Mining Exchange alone. Its facilities have now been extended to meet the needs in the Toronto Stock Exchange building on Bay Street as well and it will function as a unit. It is claimed that this high-speed ticker service operated by the Canadian National Telegraphs is capable of handling the various transactions of the market at the "peak" of trading activities without a split second's delay. Within a fraction of a second the multitude of quotations and transactions which take place on both floors will be stamped out on tickers in brokers' offices from coast to coast.

Have To Be Fast

These marvellous contrivances whereby there is given, second by second, a complete picture of the operations on the two floors of the new exchange in various brokerage offices throughout Canada, are the answer of electrical engineers asked to provide greater quickness and accuracy in transmission of stock market news. The engineers were told and knew in any case that new ticker service installation would have to be both quick and accurate to meet the needs of the second most active stock market exchange in the Western Hemisphere. Present-day finance demands high efficiency and split-second operation.

It seemed a big advance when the old Montreal Telegraph Co., now a part of the National Telegraph system, started their operation in 1878-1879 in Montreal and in Toronto about 1880 because prior to those dates messenger boys used to deliver the quotations, which were received every 20 minutes by telegraph by the Toronto brokers, the majority of whom were located on King Street, east of Yonge. Those old quotations were copied on tissue paper and usually contained only about 15 prominent stocks listed on the New York Exchange. The speed which then seemed marvellous would seem the extreme of sluggishness today.

First Ticker Service

The first ticker service in the world was confined to the New York Stock Exchange and the Chicago Board of Trade Grain Exchange, but they could not keep pace with an active market today for more than the first quarter hour of trading. Those first tickers did not operate continuously but only gave quotations every twenty minutes. The cost of the service was $40 per month, a figure considered quite high in those days.

These pioneer tickers were of the Phelps type and they were wound up with a heavy iron weight. They were succeeded by the Wirsching type, which were in continual use until 1895, when these were replaced by the Burry ticker. The latter gave a continuous service with the New York market. At first, the actual quotations were received by Morse and the tickers operated from the main telegraph office. In 1926, the self-wind high-speed Western Union tickers made their appearance. They were operated direct from New York and were capable of sending 300 characters per minute.

Conveyor System

The new automatic ticker service of the Canadian National Telegraphs may be described as similar to that in use on the New York Stock Exchange, with some extra features designed to ensure both additional speed and accuracy and it is the only one of its kind in Canada. To put it into operation required the installing of considerable new equipment on the floor of the Toronto Stock Exchange and a dual transmitting plant at the telegraph headquarters. Not only will a continuous service be provided but, if the necessity arises, it is so designed that the transmitting plant may be thrown over automatically to a reserve plant. Thus even a second's delay is avoided should some unexpected mechanical difficulty occur.

One of the outstanding features in the operation of the service is the conveyor system of recording transactions, which is now in use at only the larger exchanges of the United States. This installation is a decided step forward in rapid and efficient handling of stock transactions throughout the continent.

BUSY SCENE ON MINING FLOOR OF TORONTO EXCHANGE

Here is the way it is done. When a broker completes a sale on the floor it is recorded on a paper slip which is forwarded from one of the trading posts by means of a pneumatic tube and is received almost instantaneously at the tube centre, close by the operating table. There it is placed on the coupon belt conveyor, which runs directly in front of the transmitting operators. As these slips pass before their vision, they type the information on the perforator machine. The operators use machines not unlike typewriters but instead of the keyboards printing characters on paper, the depression of the key punches a combination of holes in the tape. As this tape passes through a transmitter, a combination of electrical impulses prints the required letters and figures on tickers in the various brokerage offices.

The full character speed of 500 or more per minute may be required to move "peak" loads during a heavy trading day on the market and to register without delay any sudden fluctuations. As it is impossible for even a most experienced operator to punch the full speed of the ticker continuously, an ingenious device, called the collator, has been installed.

This almost human piece of mechanism alternates continuously in sending transactions from various perforated types until the "peak load" has been passed, and without disturbing in the slightest the individual work of the operators. Further to give greater speed efficiency, the tape roll has been increased from the four inches to eight inches in diameter, thereby increasing its length nearly threefold. A contributing factor to the character speed of the new machine is also to be found in the fact that no character shift is required to punch designations for either letters or figures.

Coffee From Many Countries

Colombia was actually the largest exporter of coffee to Canada during the 1932 fiscal year, on a basis of value, followed by Brazil and Jamaica. Smaller quantities were obtained from Venezuela. Trinidad and Tobago, Costa Rica, the Dutch East Indies, Ceylon, British Guiana, Abyssinia, French Africa, Guatemala, Mexico, Nicaragua, San Domingo and the Hawaiian Islands.

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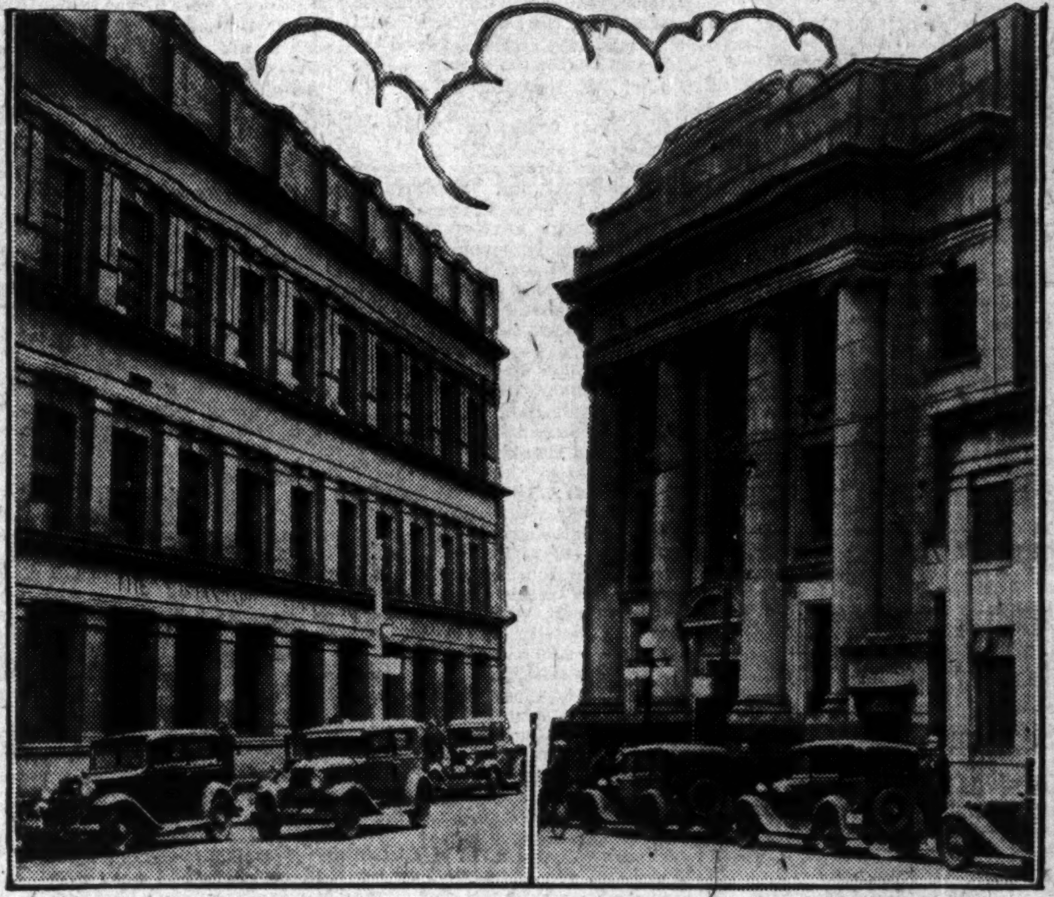

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Price Bros. Shareholders Want Larger Share of Equity

Move Under Way to Keep Control—Claim $5,000,000 of New Capital Not Needed—Prospects of Lengthy Legal Battle Assume More Definite Shape

From Our Own Correspondent

MONTREAL. — Claiming Price Bros. and Co. do not need $5,000,000 of new capital and that improvement in the company's finances and earning power since the date of bankruptcy justify more generous treatment of the common shareholders, new interests have entered the field with a view to bringing about a reorganization without the help of either Bowater's Paper Mills or the Duke-Price Power Co. and their associates.

When Price Bros. went into bankruptcy at the end of last March, the company had bank loans of nearly $3,600,000, which with accounts payable, brought the total of current liabilities up to nearly $5,000,000, without consideration of accrued bond interest.

Operating Loss in 1932

During the 10 months ended December 31, 1932, the company experienced an operating loss of $57,910 after all expenses and reserves, but before depreciation and depletion and interest charges. Bond interest, exclusive of premium on New York funds, bank loans and miscellaneous items, amounted to $818,435, leaving a net loss for the period of $876,435 before depreciation and depletion.

Prospects Were Dark

On October 31, 1932, the company defaulted on its bond interest and steps were taken to form a bondholders' protective committee. At the time the outlook for the company was far from promising. Earning power had been sadly depleted. Bank loans had reached large proportions, while the company was unable to meet its current accounts. The amount of business available to the company was steadily declining.

It was then believed by all interested that for the company to survive over the next two or three years it would be necessary to put at least $5,000,000 of new capital into the enterprise.

The bondholders' protective committee were determined that the holders of the bonds would not suffer. With less than $12,000,000 of first mortgage bonds outstanding and assets of at least $50,000,000 to $60,000,000 there was little question of the ability of the bondholders to realize on their security if necessary.

Favor Bowater Scheme

The committee held itself open to proposals of reorganization. Two groups negotiated with the committee. One was headed by Bowater's Paper Mills and the other by Duke-Price Power Co. After considering different propositions, the committee found in favor of Bowater's.

Trustee Holds Back

The next step was to secure approval of the trustee in bankruptcy, acting on behalf of the unsecured creditors and the shareholders. The Trustee, Hon. Gordon Scott, turned down Bowater's proposal, saying that he expected another and more favorable plan.

In due course Duke-Price Power Co., Lord Rothermere and Lord Beaverbrook submitted a plan, which did not meet with approval of the bondholders' protective committee. The Trustee has not commented one way or the other, saying that he would submit the plan to the creditors and shareholders.

Offers Are Bettered

Meanwhile the Bowater group amended their plan to give more generous treatment to the unsecured creditors and the shareholders. Particulars of both of these plans were outlined in detail in The Financial Post three weeks ago.

As already pointed out there was little to choose beween the two plans. Both groups decided that the company needed $5,000,000 of new capital, while in the treatment of the unsecured creditors there was no major difference. As far as the bondholders were concerned, their rights were upheld in both plans. The shareholders did not fare so well, however, in each case control of the company passing to the underwriters of the new money and the proposer of the plan.

In the two plans as analyzed in The Post three weeks ago, it was shown that the sponsors of each plan would secure practically three-quarters of the common share equity for putting up $5,000,000 of new money.

Duke-Price's Second Plan

Since that time the Duke-Price Power Co., Lord Rothermere and Lord Beaverbrook group have come forward with a revised plan. The second scheme, which provides for $5,000,000 of new money to be underwritten by the group, has the following features:

A. All arrears of interest on the bonds to be paid in cash on completion of reorganization.

B. $5,000,000 of new money to be secured by a second mortgage, interest of which will constitute a fixed charge. Both A and B are the same as in the original plan.

C. Creditors to receive certificates of indebtedness for the full amount of their admitted claims bearing 5 per cent cumulative to the extent earned.

D. Preferred shareholders to receive $100 preference stock, for each $100 preferred share now held; entitled to receive 5 per cent dividend cumulative to the extent earned.

E. Common shareholders to receive approximately a third of all the common shares to be issued, with one-third of the common shares to go to the subscribers for new money who may be either preferred or common shareholders, and approximately one-third of the common shares to go to the underwriters as commission.

Propose Capital Set

A carrying into effect of this latest proposal would result in the following share structure:

	Authorized	Outstanding
5% red. pfd. ($100 par)	$6,284,300	$6,284,300
	Shares	
Common (no par)	500,000	142,277 1-3

The existing share structure is as follows:

	Authorized	Outstanding
6½% cum. S. F. Pfd. ($100 par)	$10,000,000	$6,284,300
Common ($100 par)	$50,000,000	$42,683,200

Position Has Improved

The more generous treatment of the shareholders under the two plans has been primarily due to an improvement in Price Bros. operating position and earning power.

Between April 1 and the end of last year the company had an operating profit of $720,000, without provision for bond interest, depreciation or depletion, and paying only for power as used.

Interest on loans was paid in full during the nine-month period and at the end of the year the company had reduced bank borrowings to less than $2,300,000 with further reductions since then.

Turn Loss Into Profit

Thus in comparing the results for the ten months ended with December 1932 and for the nine months ended December 1933, the company has turned an operating loss of $57,910 to an operating profit of nearly $720,000. From the end of April to the end of December 1933 bank loans were reduced from $3,600,000 to less than $2,300,000, a betterment of $1,300,000.

At the end of 1933 the company working capital position had been appreciably strengthened. The excess of current assets over all current liabilities, including bank loans, was nearly $3,000,000. The latter figure, however, does not include liabilities of nearly $1,200,000 prior to bankruptcy and accrued bond interest, which now amounts to nearly as much again.

Less Capital Required

With this improvement in both earnings and finances, those who have followed the situation closely believe that an internal reorganization can be carried out without the assistance of Bowater's or Duke-Price Power. Further they believe that the company does not need $5,000,000 of new capital. Mortgaging the company to that extent, while strengthening the position of the bondholders, would not be of any particular value to the company.

It is said that in view of the improved outlook for the company and the betterment already effected, the company could be put on its feet again with only $2,000,000 to $2,500,000 of new money.

Underwriting Risk Nil

This money, it is said, could be raised without the necessity of giving away two-thirds or more of the junior equity as would be the case if either the Bowater or Duke-Price plan were accepted. Those in favor of an internal reorganization point out that the sponsors of the present plans are not undertaking any risk. They agree to underwrite $5,000,000 of new money which will be secured by at least $50,000,000 of assets. The collateral would be far greater than could be secured if the funds were invested in other channels. In addition to securing ample security, the underwriters and sponsors of the plan would receive free stock representing at least two-thirds of the equity.

Preferred Have Opinion

That the preferred shareholders are in sympathy with this point of view is apparent from a letter sent out to this class of shareholders by the protective committee. This letter was dispatched before receipt of the revised Duke-Price plan. In it, the committee intimate that they do not favor either of the plans, but of the two they prefer the one sponsored by Bowater's. The letter goes on to say:

> "We are advised that the Bowater's agreement with the bondholders' committee will be carried out either by sale from the trustee in bankruptcy, if he accepts the offer, or if the trustee in bankruptcy does not accept the offer, by the trustee for the bondholders through foreclosure and sale. In neither case would a meeting of the preferred shareholders be required as their rights would be foreclosed. While your committee still believes that an internal reorganization would, from the standpoint of the preferred shareholders, be most desirable, this does not at the moment seem likely, and, therefore, your committee states that between the two offers as now before them the Bowater offer is preferable to the bankrupt company's offer and recommends accordingly."

Bondholders' Position

From a technical point of view Bowater's group at present stand in the strongest position. They already have the agreement with the bondholders' protective committee, which says that it will carry out the proposal by foreclosure and public auction, if necessary.

Those interested in the welfare of the common shareholders are aware of the attitude of the bondholders but it is claimed that if interest is paid up-to-date, the mortgage holder cannot foreclose under the terms of the new Moratorium Act in Quebec.

Need $2,000,000 at Least

In order to do this it would be necessary for the common shareholders to raise at least $2,000,000 of new capital.

This would give a new twist to the affairs and might cause a prolongation of the negotiations before it is definitely decided as to who will control the company.

The other two matters of paramount interest are the unsecured creditors and the Duke-Price Power Co., which has a contract with the old company for the supply of 100,000 h.p. of electrical energy per annum.

It is said that there would be no particular difficulty in coming to equitable terms with the unsecured creditors, nor would claims of the Duke-Price Power Co. for the fulfillment of their contract constitute an immovable obstacle to an internal reorganization.

As to the manner in which the new capital would be raised, one proposal is that the bonds be left undisturbed.

The preferred stock would be unchanged, except that the cumulative dividend feature would be changed to non-cumulative.

Revamp Capital Structure

The present common stock, amounting to 426,832 shares of $100 par value each would be changed to no par value and the authorized amount raised to 1,000,000 shares.

It is suggested that the common shareholders retain their present stock holdings, while the balance would be distributed between the bondholders and the subscribers of the new capital. The former would have to be compensated for foregoing sinking fund and the loss of interest during the past two years. Just how much the bondholders would receive and how much would be reserved for bonusing the new security would be determined later.

Retain Larger Equity

If such a proposal as this could be effected, the common shareholders would retain 50 per cent of the equity in the property, rather than a third which is the best they could expect under either of the two plans now under consideration.

It would not be surprising to see such a plan as outlined above, brought forward by the shareholders. That such a move is well within the realms of possibility is apparent by the fact that the preferred shareholders' committee are seeking proxies "as the situation is one which is rapidly changing and new considerations may at any time arise, your committee feels that they should have proxies—giving them discretion to act in all circumstances."

Stockholders Organize

Further, a committee has been formed to look after the interests of the common shareholders. This committee consists of E. R. Decary, president of the Title Guarantee and Trust Co.; Alastair Gowan, C.A., of Riddell, Stead, Graham and Hutchinson; N. R. Macaulay, of Hansons and Macaulay; Hugh MacKay; W. C. Pitfield, of W. C. Pitfield and Co., all of Montreal, and Robert Kernon, president of Donnacona Paper Co., of Quebec.

While it is possible that the common shareholders may not be able to take collective action in securing a greater proportion of the equity in the rehabilitation of Price Bros. and Co., it has now become apparent that control of the enterprise will not pass to either Bowater's or Duke-Price Power Co. without a struggle.

LETHBRIDGE AREA RANCHERS HELPED BY MILD WEATHER

Feed Worries Over—Good Hog Prices Provide Needed Cash

From Our Own Correspondent

LETHBRIDGE. — Late February finds the tension in the ranching areas relieved as mild weather prevails and the prairie is again bare allowing sheep and cattle to feed in the open. December was a severe month for the cattle industry as the weather for weeks showed deep sub-zero temperatures with heavy snow and ice deposits on the prairie making hand feeding of flocks and herds imperative.

Stockmen do not fear winter feeding providing they have ample reserves but unfortunately they entered this winter with hay stocks low on account of drought conditions. The New Year brought a break in the weather and with the receipt of feed relief in the affected districts the stockmen feel reasonably safe now. Actual losses were negligible except in weight.

Hogs Prove Beneficial

Approach of spring finds farmers more optimistic. Wheat gives hint of improvement and livestock, especially hogs, show decided strength. Soaring hog prices have put thousands of new money into the pockets of farmers. A year ago a farmer was lucky to get $3.50 for a 200-pound butcher hog. That same hog is fetching today at Lethbridge $14 and if it should happen to make the "bacon" grade it will fetch a dollar more.

Sheepmen are also more confident as wool and lamb prices firm up toward the level where a profit can be shown. Sugar beet farmers continue to press for factory expansion and arrangements are being made to send a deputation to Ottawa to wait on the government asking for a sugar quota in Canada. They want 60 per cent at least of the sugar consumed in Canada eventually to be beet sugar; beet sugar represents only 14 per cent of the consumption today.

In the industrial field a bright spot is the recent sale of the Coutts, Alta., refinery of the Northwest Stellarene Company to British American Oil Company. The Coutts plant, built three years ago and improved by the installation of a Dubbs unit, has a capacity of 1,500 barrels of crude oil a day. The extensive distribution system of the "Stellarene" company is also included in the sale to British American. The Coutts plant will be enlarged and operated on a steady basis.

GERMAN DEBTORS' CORPORATE BONDS PAY 76.9% CASH

Bondholders Get More in First Half 1934 Than in 1933

EXPORTS WANTED

Good Deal for Holders German Municipal and Corporation Loans — Arrangement Temporary

British and American holders of German municipal, corporation and bank loans will receive 76.9 per cent of interest due in cash under a new arrangement made with Germany covering interest payments for the first six month of 1934. This arrangement affects Canadian holders who purchased bonds issued in the United States and was made at a recent conference in Berlin. It developed that Germany wants more exports or debt adjustment.

Cash payments on these classes of German bonds will be for 30 per cent of the amount due, the remaining 70 per cent in scrip. The scrip is worth full face value for purchases in Germany. Under the new plan, bondholders cashing the scrip will receive 67 per cent of its face value as final settlement. Thus the 30 per cent plus 67 per cent of the 70 per cent, amounts to 76.9 per cent in all. This new plan is an improvement on the 50 per cent cash offer recently tendered by Dr. Hjalmar Schacht, president of the Reischbank.

Last December Dr. Schacht proposed a scheme whereby bondholders would get 65 per cent of their payments in cash as final settlement. Later he proposed 50 per cent. In the last half of 1933, payments were made, 50 per cent in cash, 50 per cent in scrip redeemable abroad at half its face value, a total of 75 per cent. So the new scheme is better for bondholders than any of these plans. This achievement is attributed to pressure brought to bear by the new Roosevelt-backed American Council of Foreign Bondholders, and by British investment interests.

What Germany Wants

From the conference of German creditors with Dr. Schacht in Berlin, it developed that consideration is being given to more permanent arrangements to handle payment on German foreign loans. The Germans are understood to be seeking to settle with creditors of individual nations on the basis of each country's trade balance with Germany. That is, presuming Germany had an export trade balance with one country only, the creditors in that country would be the only ones to get payment. Briefly, Germany is believed to be trying to coerce other countries to take her goods and to recognize that only by this means can the transfers of interest and principal payments ultimately be made.

Some time ago, this situation was reported by Whaley-Eaton service, Washington, as follows:

> "The British Foreign office infers that Germany is manoeuvring to repudiate her post-war indebtedness on political grounds. The British objective is to force the Reischbank to reverse its policy or to admit proof of political motives . . . . The actual German position is believed to be that the nationals of those countries where Germany's trade balance is unfavorable eventually will receive no payments whatever, while the remainder will receive payments in a mathematical proportion to Germany's favorable trade balance with their countries."

Offer Exports

That German exports are being offered as bait for payment is also seen in a deal with Dutch and Swiss creditors, whereby they get 100 per cent cash payment in their own currencies in exchange for increased imports of German goods into Holland and Switzerland.

The British pressure for increased cash payment is reported to have taken the form of threats that payments to Germany by British importers might be segregated and kept in Britain for the benefit of bondholders. The disadvantage of this would have been, it is thought, that Germany could retaliate by prohibiting imports of British goods entirely; the result being a ruinous trade war.

Officials of the Reischbank issued a statement at the close of the creditors' conference. It was stated that the estimates of last December, as to the amounts of foreign exchange that Germany would be able to raise abroad through exports, were not being revised, but that the increased cash payments to bondholders were being made in the hope that they might lead to "an early constructive development of the entire debt problem." The inference is that the German foreign debts must be scaled down or that the country's exports must be allowed to increase.

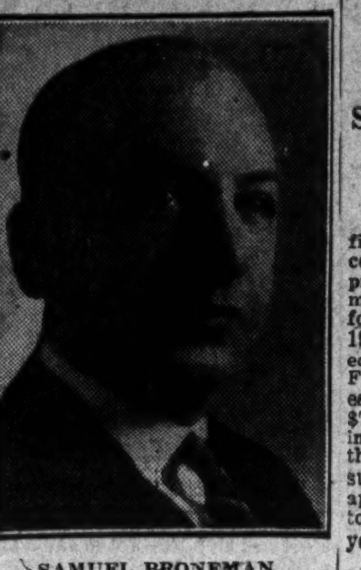
Pacific Great Eastern Had Small Profit in 1933

From Our Own Correspondent

VANCOUVER. — A preliminary statement of the Pacific Great Eastern Railway for 1933 shows an operating profit of nearly $73,000 compared with a deficit on 1932 operations of $8,789.

For the month of December there was a profit on operations of $14,712 compared with a deficit in December, 1932, of $2,541. Expansion of business in the territory served by the railway, especially in the Bridge River and Cariboo mining country, is chiefly responsible for the improved condition of the road. It is expected that the coming season will witness a further increase in traffic.

Heads Distillery Firm



SAMUEL BRONFMAN

Who has been elected to the presidency of Distillers Corp.-Seagrams in succession to Wm. H. Ross.

HINDE & DAUCH SHARES EARN 26C BONDS REDUCED

Board Machines Run Near Capacity in 1933; Working Capital Up

Hinde & Dauche Paper Co. of Canada had net profit of $78,929 in 1933, equivalent to 26.3 cents per share on the 299,933 shares of common stock outstanding. The result of 1933 operations is in contrast to the losses reported for 1931 and 1932. Earnings are attributed to some extension of business and continued economies. Operation of board machines in Toronto operated at 94 per cent of full time and board machines at Trenton operated at 73 per cent of full time. Box fabricating units of the company are capable of at least a 100 per cent increase in tonnage over 1933 volume.

The company further reduced its funded debt by $44,500 on which it had a profit of $17,405. This was in addition to operating profit of $326,718. Depreciation reserve was only slightly lower than in 1932 but the company saved $6,220 in bond interest charges which offset in some degree tax reserve of $9,660. Profit and loss account for the past two years is as follows:

Profit and Loss Account, Years Ended December 31

	1933 $	1932 $
Gross oper. profit ...	326,718	......
Add: Profit on bonds retired	17,405	......
Net income	344,123	205,818
Less: Deprec.	179,612	180,948
Bond int. & exchge.	75,922	82,141
Tax reserve	9,660	......
Net profit	78,929	57,271

Increase is shown in both current assets and current liabilities as a result of greater activity in operations but working capital has been improved and liquidity retained. Inventories are up to $443,801 from $298,743; accounts receivable to $339,484 from $246,340 and cash is up to $61,666 from $54,362. Trade accounts payable are up to $124,834 from $106,236 and accruals are up to $132,731 from $91,787. Working capital position is as follows:

Working Capital, as at December 31

	1933 $	1932 $
Current assets	863,947	620,444
Current liabilities ...	257,565	198,023
Working capital	606,382	422,421

Real estate, buildings and equipment, after reserve, are down to $3,202,242 from $3,415,615. Investment in Container Materials Ltd. is up to $26,022 from $19,923. There is now outstanding $1,245,000 of first mortgage bonds. The 299,933 shares of no par value common stock are carried at $1,088,853 and surplus is up to $1,511,756 from $1,496,488.

QUEBEC PROVINCE EXPECTS DEFICITS IN 1934 AND 1935

Shortage Set at $742,288 for 1935 — Count on Trade Recovery

Quebec will have a deficit for the fiscal year ended June 30, 1934, according to Hon. R. F. Stockwell, provincial treasurer in his statement when bringing down estimates for the fiscal year ending June 30, 1935. The deficit for the year ended June 30, 1933, was $6,830,907. For the 1935 year, Mr. Stockwell estimated that the deficit will be $742,288. The deficit for 1934, he intimated, will be considerably less than the deficit for 1933. Since a surplus was expected for 1934, it appears that revenues have failed to rise substantially in the current year.

Comparative figures for the ordinary budget are as follows:

Quebec's Ordinary Revenue and Expenditure Years Ended June 30

	1934-35* $ 000's	1933-34* $ 000's	1932-33 $ 000's
Revenue	31,778	34,242	31,024
Expenditure ...	32,520	33,304	37,865
Deficit	742	†938	6,841

*Estimates.
†Estimated surplus.

The Quebec Government has adopted the attitude that expenditures have been cut to the maximum degree consistent with conditions and welfare of the population. At the same time, it does not wish to increase taxation. Thus, the budget represents chiefly a hope that improved business conditions will yield the province more revenue and that exercise of economy will allow it to come fairly close to balancing its budget in 1935.

Cut Expenditures

While results for the 1934 year are not yet known, ordinary expenditures were estimated at $33,304,286. So the 1934-35 estimate represents a reduction of $783,986. The 1934 estimates of expenditures represented a reduction of $4,560,511 from the outlays in 1933.

Quebec budgeted for the 1933 year on a basis of anticipated revenue of over $39,500,000. Apparently, during the year, when it was found that revenue would be far below budget expectations, expenses were cut, bringing the final expenditure to $37,864,797. And on the basis of the economies made at that time, it was estimated that expenditures would be only $33,304,286 for the 1934 year. They may be less, because of further economies since this estimate was made; and these are reflected in the estimate of expenditure of $32,520,300 for 1935.

Increase in Quebec's public debt in the year ended June 30, 1933, amounted to $16,722,320, due to sale of bond issues totalling $18,250,000, less sinking fund accruals of $1,527,680.

Largest increase in outlays in the budget have been for public debt charges, which have almost doubled since 1931. The rise in debt charges is attributed largely to relief expenses on ordinary and capital account. Thus, while this item of cost is estimated to have grown by $3,649,112, or 82.9 per cent, between 1931 and 1935, $11,982,657, or 32.9 per cent, will have been lopped off other expenditures on ordinary account.

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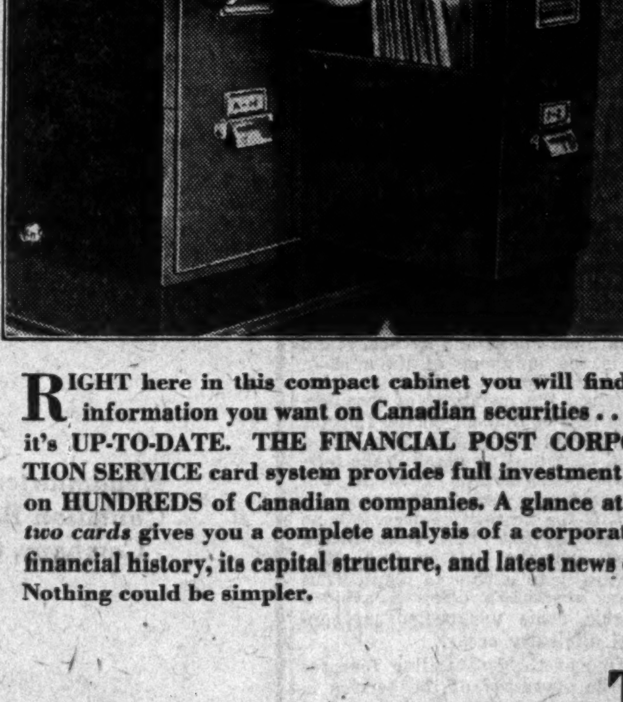

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Mail Contract Curtailment Hampers Canadian Airways

Company Increases Commercial Business Materially and Improves Mail Efficiency in Remarkable Manner

Though productive hours flown in mail services by Canadian Airways planes dropped from 12,447 hours in 1931 and 3,370 hours in 1932 to 2,128 hours in 1933, there was a steady increase during this period in commercial business. In other than mail services the airplanes flew 9,489 productive hours in 1933, as compared with 8,548 hours in 1932 and 4,659 hours in 1931. Total mileage flown in mail services, therefore, dropped from 1,336,107 miles in 1931 to 210,666 miles in 1933, while mileage covered in other services ran up from 496,687 to 954,769 miles in the same period.

This encouraging improvement in commercial flying was not enough to make up for the decline in mail services. Total hours flown in 1931 totalled 19,143 hours, covering 1,832,794 miles and in 1933 total hours flown were 12,744 covering 1,165,435 miles.

Goods and mail transported in 1933 amounted to 2,850,852 pounds, as compared with 2,169,202 pounds in 1932 and 1,223,908 pounds in 1931. Pound miles in the same period ran up from 173,895,707 in 1931 to 344,704,550 in 1933. Passengers carried in 1933 numbered 16,942, covering 1,094,600 passenger miles, as compared with 8,963 passengers covering 998,619 passenger miles in 1932 and 8,047 passengers covering 1,111,628 passenger miles in 1931. Mail line efficiency as measured in proportion of scheduled mileage flown went up from 86 per cent in 1932 to 98.3 per cent in 1933.

Despite the curtailment in mail line services by the Government there was an actual increase in total mail covered over 1932 by 10 per cent and 35 per cent of freight and express. The decrease in mail carried was, however, 28 per cent, as compared with 1931, whereas freight and express in the same period increased 230 per cent.

PAGE-HERSEY TUBES, LIMITED

BALANCE SHEET as at DECEMBER 31st, 1933

ASSETS			
Fixed			
Real Estate, Buildings, Plant Machinery and Equipment	$4,469,422.66		
Investment in Stocks of Subsidiary and Allied Companies	739,000.00		$5,208,422.66
Current			
Cash on hand and in Bank	337,670.13		
Call Loans—secured	200,000.00		
Bills Receivable	32,055.50		
Accounts Receivable	184,547.48		
Advances to Subsidiary Companies	189,863.04		
Employees Bonus Fund	356,832.57		
Investment in Government Bonds and other marketable Securities	2,806,139.35		
Merchandise Inventory	1,374,659.50		5,481,767.57
TOTAL ASSETS			$10,690,190.23
LIABILITIES			
Capital Stock:			
Preferred Stock, seven per cent cumulative. Authorized—30,000 shares of $100 each. Outstanding and fully paid up 172 shares	$ 17,200.00		
Common Stock no par value: Authorized 175,000 shares. Outstanding 174,276 shares	6,249,670.68		$6,266,870.68
Earned Surplus			2,500,000.00
Profit and Loss			409,875.41
			9,176,746.09
Reserves:			
Reserve for Depreciation on Buildings, Plant and Machinery			1,337,334.61
Current Liabilities:			
Accounts Payable	2,013.48		
Miscellaneous	4,551.17		
Dividends on preferred and common stock payable January 2nd, 1934	126,106.75		
Reserve for Taxes, etc.	43,488.13		176,109.53
TOTAL LIABILITIES			$10,690,190.23
Profit and Loss:			
Balance Forward	723,170.74		
Less Additional provision for depreciation of plant, buildings, etc., in respect of previous year	126,388.30		596,782.44
Operating or Trading Profit	398,586.12		
Interest from Investments, Call Loans, etc.	149,628.55		548,214.67
			$1,144,997.11
From which has been deducted:			
Depreciation of Plant	206,796.70		
Dominion and Provincial Taxes	23,680.50		
Dividends on Preferred Stocks	1,230.25		
Dividends on Common Stock	503,414.25		735,121.70
			$ 409,875.41
Contingent Liabilities:			
Bank guarantee for subsidiary Companies	165,000.00		

Certified correct as per certificate of audit.
MacQUARRIE & PETMAN, Auditors.

Signed on behalf of the Board: W. W. NEAR, Director; H. C. SCHOLFIELD, Director.

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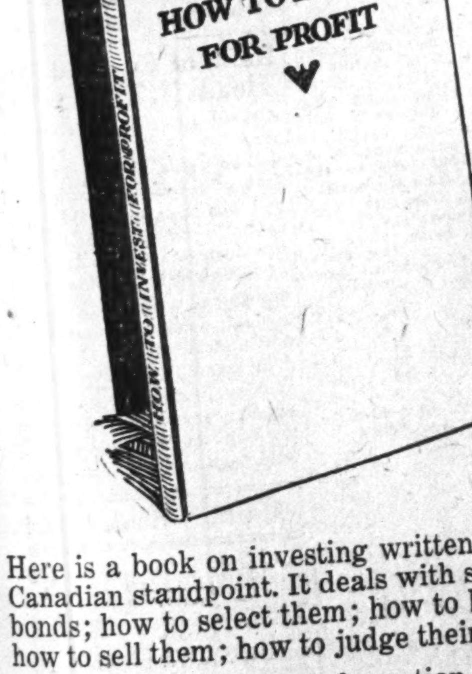
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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING FEBRUARY 5

Range 1934 High	Low	Divd. Rate in $	Yield in % Feb. 3		Sales	Close Jan. 29 (or last)	Week Ending Feb. 5— High	Low	Close
				A					
2.50	.90	•	...	Abitibi	28912	1.60	2.50	1.40	2.00
9½	4½	•	...	Do. pref. 6%	4510	5½	9½	6	9½
x80	80	.	...	Acme F. D'y p	....	..	..	..	..
8	6	20c	...	Agnew Surp.	61	7	7	7	7
80	72	7	9.7	Do. pref.	15	..	80	72	80
6	3	•	...	Alta. Pac. Gr.	105	4½	6	5	6
23	16	•	...	Do. pref.	45	20	23	20	23
2¼	2¼	•	...	Amal. Electric	10	1	2¼	2¼	2¼
10½	10	•	...	Do. pref.	5	10	10½	10½	10½
x3½	3½	•	...	Anglo. N. Hold.	....	..	..	..	..
$1.00	.15	•	...	Asbestos	....	1.00	..	..	..
§2	¾	•	...	Do. pref.	....	2	..	..	..
13	9¾	25c	...	Assoc. Brew.	120	11½	13	11½	13
90½	90	7	7.8	Do. pref.	150	90½	90	90	90
[illegible]									
80	70	6	7.5	Huron & E. M.	4	75	80	80	80
§18	10½	•	...	Do. 20% pd.	....	10½	..	..	..
5½	5½	•	...	Hydro Electric	....	5½	..	..	..
				I					
175	141	10	5.9	Imperial Bank.	125	170	175	170	172
14½	12½	50c	3.5	Imperial Oil	17318	14½	14½	13⅜	14
12¾	10½	52½c	4.3	Imperial Tob.	3636	11½	12⅜	11⅛	12
15	15	.	...	Inter. City Bak.	....	15	..	..	..
§5½	5½	1	...	Inter'e Coal	....	5½	..	..	..
b8½	4½	.	...	Int. Hyd. E. A.	22200	6⅝	8½	6½	8¼
108	99	7	7	Inter. Mill. pf.	2	103	100	100	100
84	84	6	7.2	Do. Series A	....	84	..	..	..
23.70	21.15	10c	...	Inter. Nickel	49181	23.25	23.70	23.00	23.60
[illegible]									
†22	10	.	...	Tooke Bros.	....	..	..	..	..
§16½	12½	.	...	Do. pref.	....	15	..	..	..
27	17	1	...	Tor. Elevators	290	24	27	24	20½
98	89½	7	7.5	Do. pref.	45	93	93	93	93
111	105	6	5.7	Tor. Gen. Tr.	95	111	109	105	105
100	100	6	6	Toronto Mtge.	9	97	100	100	100
.95	.50	•	...	Traymore	800	.75	.75	.50	.50
2½	2	•	...	Do. pref.	125	2¼	2½	2½	2½
125	125	7	5.6	Tuckett Tob. p	....	125	..	..	..
3	1½	•	...	Twin City	10	1½	3	3	3
b9½	6	•	...	Do. pref.	....	..	..	..	..
				U					
4⅞	3⅞	•	...	Union Gas	4440	4	4½	4	4½
§40	25	•	...	Union Trust	....	25	..	..	..
†8	8	•	...	United Fuel	....	8	..	..	..
17	9½	•	...	Do. pref.	192	15	17	14⅜	16½
§8	7	•	...	Un. Amuse. A	....	7⅜	..	..	..
§7½	7½	•	...	Do. (B)	....	..	..	..	..
27	17	2	8	United Secs.	....	25	..	..	..
				V					
5	3	•	...	Viau Biscuit	1035	4	3½	3½	3½
18	18	•	...	Do. pref.	....	18	..	..	..
				W					
24	20	•	...	Wabasso Cot.	170	23½	23½	23	23
57½	50	•	...	Walker-Good.	12756	52⅞	53½	50⅝	51
17⅞	17	1	5.8	Do. pref.	4940	17⅛	17⅛	17	17
6.75	3.90	•	...	Walkerville Br.	10175	6.45	6.75	6.25	6.50
4	2	•	...	Waterloo Mfg.	1620	3⅜	4	3½	3½
x80	75	7	...	W. Koot. Pr. p	....	..	..	..	..
8½	8	•	...	West. C. Flour	280	8	8	8	8
54⅞	48	3	5.8	Do. pref.	4	54½	52	52	52
30⅞	30⅞	•	...	West. Grocers	....	30⅞	..	..	..
85	85	7	8.2	Do. pref.	....	85	..	..	..
†91	85	•	...	W. Steel Pr. p	....	..	..	..	..
56⅞	45	1	1.8	Weston Bisc.	2702	52	56⅞	51½	56
90	88½	7	7.8	Do. pref.	50	90	90	90	90
4	3½	•	...	Whittall Can.	115	4	3½	3½	3½
43	35	•	...	Do. pref.	100	35	43	43	43
§5	2	•	...	Windsor Hotel	....	2	..	..	..
5¼	5¼	•	...	Do. pref.	10	5	5¼	5¼	5¼
3½	1⅜	•	...	Winnipeg Elec.	1988	2⅞	3⅜	2⅞	3½
11	4	•	...	Do. pref.	175	7	11	7	11
25	20	•	...	Woods Mfg. p.	....	23	..	..	..
				Z					
§1½	1½	•	...	Zimmerknit, c.	....	1½	..	..	..

§ Quotations for 1933. No sales recorded in 1934 to date.
x Quotations for 1932.
† Quotations for 1931.
‡ Quotations for 1930.
b New York Quotations.
• See "Unlisted Stocks" also.
▲ On account of arrears.
● Plus extra of 87½c. payable Jan. 31.
■ Plus $3.50 on arrears payable Feb. 15.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
February 6, 1934

	Bid February 6	Asked February 6	Bid Jan. 30
Industrial Bonds—			
Abitibi P. & P. 5% 1953 F	34.50	36.00	29.50
Abitibi P. & P. C.O.D. F	32.50	33.50	27.00
Acadia Sugar 6% 1946	96.50	98.00	96.00
Alta. Pacific Grain 6% 1946	72.00	76.00	71.00
American Sales Book 6% 1939	97.00	....	97.00
Asbestos Corp. 6% 1941 F	65.00	75.00	56.00
B. A. Oil 5% 1945	99.50	101.00	99.75
B. C. Pulp 6% 1950 F	54.00	....	52.00
B. C. Pulp 7% 1950 F	15.00		15.00
Burns 5½% 1948 F	35.00	37.00	34.00
Can. Biscuit 6½% 1946 F	22.00	....	20.00
Can. Bread 6% 1941	85.00	90.00	90.00
Can. Cement 5½% 1947	91.00	92.00	88.00
Can. Steamship 6% 1941 F	24.00	26.00	21.50
Can. Canners 6% 1950	98.50	101.00	98.00
Can. Copper Refin. 6% 1945	105.50	....	105.00
Can. Cottons 5% 1940	96.00	....	96.00
Can. Goodrich Income 7/48 F	30.00	....	30.00
Can. Rail & Harbor 6½/51 F	25.00		23.50
Can. Vickers 6% 1947	58.00	61.00	51.00
Cons. Invest. 4½% 1959 F	60.00	....	59.00
Davies, Wm. 6% 1942	98.50	101.00	98.50
Debenture & Sec. 4% 1936	70.00	....	69.00
Dom. Tar & Chemical 6% 1949	78.00	....	71.00
Dom. Telegraph 5½% 1978 A	80.00	85.00	80.00
Dom. Textile 6% 1949	106.00	....	105.50
Dom. Woollens 6% 1948 F	34.00	....	30.00
Donnacona Paper 5½% 1948 F	43.00	46.00	37.00
Eastern Dairies 6% 1949	55.00	....	55.00
Famous Players 6% 1948	87.00	90.00	84.00
Federal Grain 6% 1949	71.00	....	66.00
Firestone Tire 7% 1937	96.00	100.00	96.00
Fraser Co. 6% 1932 F	56.00	58.00	53.00
Fraser Co. 6% 1950 F	42.00	44.00	37.00
Galt Brass 7½% 1941 F	25.00	....	23.00
Gen. Steel Wares 6% 1952	75.00	77.00	70.00
Goodyear Cotton 6% 1949	103.00	104.00	103.00
Great Lakes 6% 1950 F	43.00	46.00	39.00
Gypsum, Lime & Alab. 5½% 1948	70.00	73.00	65.50
Hamilton By-Prod. 7% 1948	93.00	95.00	92.00
Harris Abattoir 6% 1947	102.50	103.00	102.50
Howard Smith 5½% 1953	90.00	93.00	85.00
Lake St. John 6½% 1947 F	50.00	52.00	44.00
Lake St. John 6½% 1942 F	17.00	....	14.00
Loew's Toronto 6% Serial	97.00	....	97.00
Maple Leaf Milling 5½% 1949	45.00	48.00	39.00
Massey-Harris 5% 1947	78.00	81.00	72.00
Matthews Steamship 6% 1942 F	26.00	....	26.00
McColl-Frontenac 6% 1949	96.00	98.00	96.00
McKinnon Industries 6½% 1945	97.00	....	97.00
Mercury Mills 5½% 1953	59.00	....	57.00
Minn. & Ont. 6% Serial F	17.00	19.00	13.00
Price Bros. 6% 1943 F	85.00	88.00	76.00
Provincial Paper 5½% 1947	91.00	93.00	89.00
Simpsons Ltd. 6% 1949	90.00	93.00	88.00
Steel of Canada 6% 1940	106.00	....	106.00
Stop & Shop 6% 1947	79.00	....	74.00
Toronto Carpet 6% 1944	90.00	....	90.00
United Corpns. 5% 1953 F	70.00	....	69.00
United Gas & Fuel 5½% 1948	65.00	....	63.00
United Grain Growers 5% 1948	76.00	78.00	74.00
United Grain Growers 5½% 1949	79.00	81.00	78.00
Wabasso Cotton 7% 1942	70.00	....	70.00
Public Utility Bonds—			
Bell Telephone 5% 1955	104.50	105.00	103.50
B. C. Power 5½% 1960	96.00	97.00	95.50
B. C. Telephone 5% 1960	99.25	100.00	97.00
Calgary Power 5% 1960	90.00	91.00	88.50
Can. Northern Pwr. 5% 1953	87.00	89.00	85.00
Duke-Price Pwr. 6% 1966	90.00	91.00	86.00
French Natl. Mail SS 6/52	125.00	135.00	125.00
Gatineau Pwr. 6% 1941 A	82.50	84.00	77.25
Gatineau Pwr. 5% 1956	86.50	87.50	82.50
Maclaren Quebec 5½% 1961	90.00	91.00	87.50
Manitoba Power 5½% 1951	51.00	54.00	45.00
Montreal LH&P 5% 1970	105.00	108.00	105.00
Montreal Tram. 5% 1941 July	97.00	99.00	97.00
Northwest. Utilities 7/38	98.00	101.00	98.00
Ottawa Valley Pwr. 5½% 1970	101.00	103.00	101.00
Quebec Power 5% 1968	92.00	93.00	91.00
Rio Tramways 5% 1935	102.00	104.00	102.00
Shawinigan W. & P. 5% 1970	94.00	95.00	91.00
Shawinigan W. & P. 6% 1937	98.00	100.00	98.00
Southern Can. Pwr. 5% 1955	99.00	100.00	99.00
West Kootenay Pwr 5% 1956	100.50	102.00	99.00
Realty Bonds—			
Albert Bay 6½% 1942	53.00	57.00	56.00
Balfour Bldg. 6% 1943	38.00	....	40.00
Bloor St. George 7% 1946 F	33.00	....	34.00
Clarendon Apts. 7% 1946 F	28.00	....	28.00
Clarendon Properties 7/44 F	26.00	....	25.00
Dominion Square 6% 1948 F	46.00	....	46.00
Eaton Realty 5% 1949	92.50	94.00	92.50
Godfrey Realty 6% 1942 F	35.00	37.00	35.00
General Brock Hotel 6/48 F	24.00	26.00	24.00
London Realty 6½% 1950 F	48.00	53.00	48.00
Lord Nelson Hotel 4% 1947	47.00	....	47.00
Mayor Bldg. 6½% 1942	35.00	....	35.00
Metropolitan Bldg. 7% 1944	90.00	....	90.00
National Realty 7% 1945 F	25.00	27.00	25.00
Northern Ont. Bldg. 6½% 1939	80.00	....	75.00
Ontario Bldg. 6½% 1943 F	30.00	35.00	30.00
Richmond Bay 6½% 1947	72.00	....	71.00
York Bldg. 6% 1943	70.00	....	70.00
Government, Provincial & Railway—			
C. N. R. 4½% 1957 Dom. Gtd.	99.50	101.00	99.50
C. N. R. 5% 1969 Dom. Gtd.	106.50	107.50	106.50
C. P. R. 4½% 1944	88.50	89.50	82.50
C. P. R. 6% 1942	107.00	108.00	104.00
Dom. of Can. 5% 1936	102.50	103.50	102.50
Dom. of Can. 5% 1941	103.50	104.00	103.50
G. T. P. 3% 1962 Dom. Gtd.	85.50	86.50	85.50
G. T. P. 4% 1962 Dom. Gtd.	97.00	98.00	97.00
Ont. Hydro 3½% 1952 Ont. Gtd.	92.25	93.25	92.25
Ont. Hydro 4% 1957 Ont. Gtd.	93.50	94.25	93.50
Prov. of N. B. 5½% 1950	104.50	105.00	104.50
Prov. of Ont. 5½% 1946	107.00	108.00	107.00
Prov. of Ont. 4½% 1944	102.00	103.00	102.00
Prov. of Ont. 5% 1948	103.00	103.50	103.00

F—Traded without accrued interest.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass, c.	...	†20c	Mar. 1	Feb. 15
Do., pref.	7%	1¾%	Apr. 2	Mar. 15
Borden Co. c.	$1.60	40c	Mar. 1	Feb. 15
Bk. Can. Nationale	$10	$2.50	Mar. 1	Feb. 15
Bank of Montreal	$8	$2	Mar. 1	Jan. 31
Buffalo Ankerite G.	10c	5c	Feb. 15	Feb. 1
Bank of Toronto	$10	$2.50	Mar. 1	Feb. 15
Canada Malting	$1.50	37½c.	Mar. 15	Feb. 28
Can. Converters	$2	50c	Feb. 15	Jan. 31
Can. Bank of Commerce	$8	$2	Mar. 1	Jan. 31
Canadian Oil	50c	12½c	Feb. 15	Feb. 1
Do. pref.	$8	$2	Apr. 1	Mar. 20
Champlain Oil, pfd.	60c	15c	Feb. 15	Jan. 31
Chase, A. W., pfd.	$2	50c	Feb. 10	Jan. 31
Can. Hydro-Elec., pfd.	$6	$1.50	Mar. 1	Feb. 1
Cosmos Imp. Mills, pfd.	$3.50	87½c	Feb. 15	Jan. 31
Do., on arrears	...	$3.50	Feb. 15	Jan. 31
Canadian Indemnity, c.	$5.00	$5.00	Jan. 25	Jan. 25
Dominion Bridge	$2	50c	Feb. 15	Jan. 31
Do.	..	50c	May 15	Apr. 30
Hollinger Gold	65c	5c	Feb. 26	Feb. 9
Do., extra	...	5c	Feb. 26	Feb. 9
Howey Gold	..	†3c	Feb. 20	Jan. 20
International Nickel, c.	...	10c	Mar. 31	Mar. 1
Kelvinator, pref.	$7	$1.75	Feb. 15	Feb. 5
Loblaw Groc. "A" & "B"	80c	20c	Mar. 1	Feb. 12
McColl-Frontenac Oil c.	60c	15c	Mar. 15	Feb. 15
McIntyre-Porc. M.	$1	25c	Mar. 1	Feb. 1
Do., extra	50c	12½c	Mar. 1	Feb. 1
Do., bonus	...	12½c	Mar. 1	Feb. 1
Monarch Knitting, pref.	...	$3	Feb. 20	Feb. 10
Northwest Inv. & H., pref.	$6	$1.50	Feb. 1	Jan. 15
Penmans	$3	75c	Feb. 15	Feb. 5
Perfect Circle	..	50c	Apr. 1	Mar. 20
Quebec Power	$1	25c	Feb. 15	Jan. 27
Royal Trust	$3.20	80c	Jan. 31	Jan. 21
Rolland Paper, pref.	$6	$1.50	Mar. 1	Feb. 15
Royal Bank	$8	$2	Mar. 1	Jan. 31
Southern Can. Power, c.	80c	20c	Feb. 15	Jan. 31
Shawinigan W. & Pr.	50c	13c	Feb. 15	Jan. 23
Simon & Sons. pref.	..	‡5.25	Mar. 1	Feb. 20
Toburn Gold M.	..	†2c	Feb. 22	Feb. 5
Wainwright West Oil	...	•2c	Feb. 20	Feb. 10

†Initial. •Interim. ‡On arrears.

Dividends Resumed—
Monarch Knitting, pref. Feb. 20, $3. First payment since $1.75 paid Nov., 1930.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.
February 6, 1934

	Rate	Actual Maturity	Next Int. Date	Price	Yield
•Alberta	4½	1 Oct., 1958	1 Apr.	87.00	5.46
Alberta	5	1 July, 1943	1 July	94.00	5.83
Alberta	6	1 Mar., 1947	1 Mar.	100.00	6.00
•British Columbia	4½	1 Oct., 1953	1 Apr.	87.00	5.59
•British Columbia	5	15 Jan., 1948	15 July	93.00	5.73
British Columbia	6	15 Feb., 1947	15 Feb.	99.00	6.11
Manitoba	4	1 July, 1947	1 July	84.00	5.72
•Manitoba	5	2 Dec., 1959	2 June	92.00	5.58
Manitoba	6	1 Apr., 1947	1 Apr.	99.00	6.10
•New Brunswick	4	1 June, 1948	1 June	92.00	4.77
•New Brunswick	4¾	15 June, 1936	15 June	100.00	4.75
New Brunswick	5½	15 May, 1950	15 May	106.00	4.96
•Nova Scotia	4½	15 Nov., 1948	15 May	98.00	4.68
Nova Scotia	5	1 May, 1943	1 May	101.50	4.80
•Ontario	4½	1 Sept., 1944	1 Mar.	103.50	4.15
Ontario	5	15 Oct., 1948	15 Apr.	104.00	4.63
Ontario	5½	1 Feb., 1947	1 Aug.	108.00	4.67
P. E. I.	4	1 Apr., 1939	1 Apr.	98.15	4.40
P. E. I.	6	1 May, 1947	1 May	108.70	5.10
•Quebec	4¼	1 May, 1961	1 May	98.00	4.37
•Saskatchewan	4½	1 Sept., 1955	1 Mar.	84.00	5.80
•Saskatchewan	5	1 Nov., 1959	1 May	90.00	5.75
Saskatchewan	6	15 Mar., 1952	15 Mar.	98.00	6.18
Cities					
•Montreal	5	1 Sept., 1963	1 Mar.	101.00	4.94
•Toronto	4½	1 Jan., 1955	1 July	100.00	4.50
•Vancouver	5	15 Jan., 1970	15 July	90.00	5.65
Winnipeg	5	1 Mar., 1944	1 Mar.	92.50	6.00
•Edmonton	5½	1 Apr., 1947	1 Apr.	89.00	6.75
Calgary	5	1 Jan., 1943	1 July	88.35	6.75
Halifax	6	1 July, 1951	1 July	110.35	5.10
Saint John	5	15 Dec., 1950	15 June	100.50	4.95
Regina	4½	1 July, 1950	1 July	77.50	6.75
Victoria	5	21 July, 1948	21 July	91.50	6.00
Quebec	5	1 June, 1948	1 June	100.50	4.95

•Payable in New York.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto.
February 6, 1934

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	1.75	2.25
Acadia Sugar 6% pfd.	4.25	4.75
Agnew Surpass 7% pfd.	80.00	....
Allens London 7% pf. bonus c.	36.00	....
Allens St. Cath. 7% pf. bonus c.	36.00	....
Allens Toronto 7% pf. bonus c.	19.00	....
Andian National Corp.	29.50	31.50
Atlantic Sugar A pfd.	84.00	90.00
B.C. Pulp & Paper pfd.	7.00	....
Burns Pfd. bonus com.	4.25	7.50
Canada & Dom. Sugar	39.00	41.00
Canada Machinery com.	2.75	3.75
Canada Machinery pfd.	15.25	20.00
Canada Packers com.	46.00	48.50
Canada Packers pfd.	102.00	104.00
Canada Starch com.	6.00	....
Canada Starch 7% pfd.	77.00	....
Canada Wire & Cable 6½% pfd. WW	64.00	68.00
Can. Industries com. A	151.00	....
Can. Industries com. B	151.00	....
Can. Industries 7% pfd.	128.00	....
Can. Westingh'se.	44.50	46.50
Chase, A. W. pfd. bonus c.	18.00	21.00
Claude Neon Gen. Adv. Units	3.00	6.00
Dom. Foundries & Steel com.	5.25	7.50
Dom. Foundries & Steel 8% pfd.	43.00	....
Dom. Manufacturers 7% pfd.	66.00	....
Dom. Woollens & Worsteds, com.	.75	....
Dunlop Tire 7% pfd.	63.50	67.00
Eastern Dairies Ltd. 7% pfd.	10.50	15.00
Federal Grain 6½% pfd.	16.00	....
Foreign Power Sec. pfd.	10.00	....
Gen. Steel Wares pfd.	22.50	25.00
Goderich Elevator & Transit	6.50	7.75
Greening Wire 7% pfd.	59.00	65.00
Guelph Carpet 6½% pfd.	74.50	....
Guelph Carpet com.	7.00	....
Harding Carpets Ltd. Units	15.00	....
Highland Dairy Ltd. 7% pfd.	62.00	....
Inter City Baking com.	14.00	17.00
Inter. Proprietaries A	32.50	33.50
Loew's London com.	.35	.80
Loew's London pfd.	3.00	4.25
Loew's Toronto 7% pfd.	60.00	62.00
Massey-Harris 5% pfd.	27.00	30.00
Mount Royal Hotel 6% pfd.	1.75	2.50
National Grocers com.	3.00	....
National Grocers 7% pfd.	93.00	95.00
Paramount Kitchener pfd.	32.50	....
Paramount Oshawa pfd.	38.00	44.00
Provincial Paper 7% pfd.	69.00	73.00
Reliance Grain 6½% pfd.	36.00	41.00
Robinson Consol. Cone	6.50	8.50
Rolland Paper 6% pfd. WW	55.00	....
Ruddy, E. L. pfd.	9.50	....
Serv. Stations A pfd.	35.00	....
Standard Clay Products com.	....	15.50
Standard Fuel 6½% pfd. bonus	71.00	....
Supersilk pfd. bonus	38.50	....
Supertest Petroleum B pfd.	18.50	21.00
Thayers Ltd. pfd.	23.00	27.00
Toronto Elevators 7% pfd.	90.00	93.00
United Corpns. Ltd. A	7.00	....

Ind. Stocks cont'd:	Bid	Asked
United Corpns. Ltd. B	2.00	....
United Grain Growers	9.50	11.00
Western Grain 6½% pfd. bonus	5.50	10.00
Western Grocers pfd.	83.00	88.00
Willards Chocolates pfd.	14.00	19.00
Wood, Alex. & James pfd.	19.00	25.00
Zimmerknit com.	3.25	5.00
Insurance Stocks:		
Brit. Amer. Assce.	25.00	....
Can. Life Assce.	431.00	....
Candn. Fire Ins.	53.50	57.50
Confederation Life 20% pd.	122.00	127.50
Continental Life 20% pd.	38.50	43.00
Crown Life Ins.	100.00%	...
Dom. Fire Ins.	86.00	....
Dominion Life 50% pd.	166.00	....
Dom. of Can. Gen. Ins.	104.00	111.00
Empire Life 25% pd.	9.50	13.50
Excelsior Life 30% pd.	72.00	....
Federal Fire 25% pd.	35.50	....
Great West Life Assce.	321.00	....
Guar. Co. of N. A. fully paid	207.00	225.00
Guar. Co. of N. A. 20% pd.	40.00	....
Imperial Life	280.00	....
Manufacturers Life Ins.	216.00	230.00
Monarch Life 10% pd.	17.00	20.00
National Life 25% pd.	54.00	60.00
Sovereign Life 25% pd.	14.00	19.00
Sun Life Assur.	500.00	520.00
Western Assur. c.	16.00	19.00
Western Life 20% pd.	9.00	12.00
Trust & Loan Stocks:		
Br. Mtge. & Tr.	120.00	135.00
Chartered Trust	60.00	....
Eastern Can. Sav. & Loan	111.00	115.00
Eastern Trust	135.50	141.00
London & Western Trust	38.00	....
Premier Trust	82.00	....
Security Loan & Savings	91.00	....
Sherbrooke Trust	100.50	109.00
Sterling Trust	....	43.00
Traders Finance 7% A pfd.	35.00	....
Trusts & Guar.	37.00	....
Victoria Trust & Savings	131.00	140.00
Waterloo Trust & Savings	90.50	100.00
Investment Trust Shares:		
Can. Gen. Invest. Ltd.	5.20	5.50
Can. Invest. Fund Ltd.	3.30	3.50
Can. Investors Corp.	4.75	6.25
Cons. Div. Standard Sec. pfd.	11.50	....
Debenture & Sec. 5% pfd.	14.00	....
Dom. & Anglo Invest. Units	166.00	....
Dom. Scottish Invest. Units	16.00	21.00
Investment Foundation Units	31.00	....
Sec. Holding Corp. pfd.	8.00	....
Power Issues:		
Calgary Power 6% pfd.	82.00	85.00
Can. Light & Pwr. com.	38.00	....
Can. West. Nat. Gas LH&P pfd.	84.00	88.00
Great Lakes Pwr. pfd	40.00	....
Maritime Tel. & Tel. com.	10.00	11.50
Maritime Tel. & Tel. 7% pfd.	11.00	12.25
N. B. Telephone c.	9.00	9.75
N. S. L&P com.	25.50	34.00
N. S. L&P pfd.	78.00	....

Recent London Quotations:

Brew. & Distillers. 10s.	10½d.
Can. & For. Secs.	4s. 6d.
Can. West. Lumber	2s.
Hudson's Bay	27s. 6d.
Do., 5% pref.	91s. 3d.
Internat. Holdings	32⅛
Nfld. Pr. & Pap. deb. stock B 5½%	98½
Tor. Sub'an 4½% deb. stk.	20

Listed Bond Quotations

Week Ending February 5, 1934

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1934 High	Range, 1934 Low
Montreal								
Abitibi, 1st mtge.§	5	1953	...	†35	...	...	30	19½
Asbestos	5	1942	9.32	76	...	...	•65½	49
Can. Cons. Rub.	6	1945	8.11	84	...	...	•62	...
Can. Cottons	5	1940	6.21	94	...	...	•84¾	...
Can. Forgings	6	1942	...	...	...	...	•100	...
Can. S.S. Debs.	5	1943	...	66	...	...	•83½	...
Cedars Rapids	5	1953	4.64	103	...	...	•108	104⅜
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	•87	...
McNish	6	1948	8.46	4.00	4.00	...	4.25	3.75
Mex. L. & Pr.	5	1940	...	†59	45½	45	•73½	70½
Mtl. L.H.&Pr. debs.	3	1939	4.25	45	97¾	...	45½	43⅝
Mont. Tr. 1st mtg.§	5	1941	5.47	...	82¼	...	98	97¼
Mont. Trams. A§	5	1955	6.56	...	...	...	82¼	75
Do., G. & Ref. B	5	1955	7.44	82	75½	...	•74¾	73⅜
Do., C	4½	1955	6.70	...	...	...	75¾	...
Do., D	5	1955	7.41	...	...	...	74¾	...
N. S. Steel	5	1959	...	25	...	...	25	...
Ontario Steel	6	1943	7.43	88	...	...	•90	80
Porto Rico Pr.	5	1936	...	...	...	...	•93	88
Steel of Canada§	6	1940	5.02	105	...	...	•108½	100
Winnipeg Elec.§	5	1935	...	83	...	...	79½	79½
Toronto								
Canada Bread	6	1941	...	...	...	...	•101½	100
Steel of Canada	6	1940	...	...	...	...	•101½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	3.11	105.00	....	...	•116.25	107.00
Do.	5½	1934	3.65	101.00	....	...	101.25	101.25
Do.	5½	1937	3.30	107.50	....	...	•110.25	109.25
Do., refund	4½	1940	4.17	101.50	....	...	•101.25	99.70
Do., refund	5	1943	4.40	104.00	....	...	•104.90	101.85
Do., refund	4½	1944	4.36	100.50	....	...	•100.50	98.25
Do., refund	4½	1946	4.36	100.50	....	...	•92.25	91.50
Do., renewal	4	1952	4.32	95.50	....	...	96.00	96.00
Do., refund	4	1945	4.38	95.75	....	...	•96.50	95.55
Conversion Loan	4½	1956	4.50	99.50	....	...	•100.70	97.00
Do.	4½	1957	4.52	99.50	....	...	•99.00	96.00
Do.	4½	1958	4.51	99.50	....	...	99.75	98.50
Do.	4½	1959	4.50	100.00	....	...	•100.30	97.50
Nat. Service Loan	5	1936	3.78	102.75	....	...	•103.25	101.50
Do.	5	1941	4.36	103.75	....	...	•103.75	100.75
Dom. Loan	4	1935	3.55	100.25	....	...	•99.75	99.75
Unlisted:								
Cons. Paper	5½	1961	...	....	23¼	20½	23¼	13¾
Can. For Inv. deb.	7	1949	...	101.00	....	...	•100.00	80.00

†Latest ask. ‡Quotations for 1930. •For 1931. •For 1932. •For 1933. None recorded in 1934 to date.

Winnipeg Stock Exchange

(Transactions for week to February 3)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Feb. 3
..	..	Can. Pandora	1,000	.22	.22	.22
..	..	Federal Grain, pref.	10	15	15	15
..	..	Gunnar Gold	1,300	.95	.82	.95
..	..	Island Lake	500	.05½	.05½	.05½
..	..	McLeod Cockshutt	1,700	.27	.25	.26
..	..	Mecca Gold	300	.21	.21	.21
..	..	Smelters Gold	1,600	.28½	.28	.28½
..	..	Western Breweries	1,350	1⅛	1	1

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Fire	..	100
Beaver Lumber c.	..	4
Do., pref.	..	65
City Dairy 8% pfd.	..	15
Gt. West Life	315	..
Home Investment	20	..
Monarch Life 10% pd.	17	..
Northern Trust	10	..
Pelissiers, com.	½	¾
Reliance Grain, pf.	36	40
Traders Bldg. Assn.	65	..
Can. Amer. Tr. shs.	2½	3½
Can. Invest. Fund.	..	3.55
Fundamental Ser. A	..	5
Fundamental Ser. B	..	4.25
Grouped Inc. Shs.	..	4.90

*Stocks more active on other exchanges not included.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

33rd Annual Meeting of the

PROVINCIAL BANK OF CANADA

Liquid position again increased. Quick assets equal to 67% of liabilities to the public as against 64% last year.

Address of the President: Sir Hormisdas Laporte, K.B., P.C. Report of the General Manager, Mr. Chs. A. Roy, Commissioner-Censors' Report by the Honorable E. L. Patenaude, Chairman.

Sir Hormisdas Laporte, K.B., P.C., appointed Honorary President. Mr. S. J. B. Rolland replaces Sir Hormisdas as President. Mr. Geo. A. Savoy, Manufacturer, elected Director. Mr. J. E. Labelle, K.C., named Commissioner-Censor.

The annual general meeting of the shareholders of the Provincial Bank of Canada was held at its Head Office, in Montreal, on Wednesday, January 31st. In the absence of the President, Sir Hormisdas Laporte, K.B., P.C., retained at home by illness, the chair was occupied by Mr. S. J. B. Rolland, Vice-President.

The directors' report having been submitted to the meeting, the Secretary reads the President's address as follows:

The period covered by the statement before you has been a difficult one; your directors, nevertheless, are satisfied with the results shown and are confident that 1934 will witness the continued improvement in general business conditions which has been noted during recent months.

At the beginning of 1933 business was stagnant due to the lack of factors susceptible of changing the economic situation one way or the other. The abandonment of the gold standard by the United States in April, 1933, was the cause of renewed instability in exchanges; the introduction of a new monetary policy by our next-door neighbors has also given rise to increased uncertainties regarding the future and the final results of their policy are yet difficult to foresee. The fact that the various nations represented at the world economic conference held in London during August, 1933, could not come to an agreement regarding the stabilization of exchanges, has prevented the development of a program of general economic recovery. The end of the conference brought revived rumors of inflationary measures which in turn caused a rise in the price of several basic products and in stock market securities. This rise, which was a great boon to industry, commerce and agriculture, has released orders from all quarters; the revival of activities which took place has on the whole been maintained and has contributed to the betterment of many situations as well as to inspire greater confidence in the near restoration of economic equilibrium.

Statistics which have already been published and which are the means of establishing the general trend, clearly indicate a higher level of prices for 1933 than in 1932. Manufacturing activities had increased to the extent of 12% towards the end of the year; the index of employment shows an appreciable increase. A general rise of approximately 11% in wholesale prices, and 15% in agricultural products, increased activities in the field of commerce, and considerable gains in our export trade are all encouraging signs of progress which tend to increase confidence.

In fact, during these last few months, everything indicates that we are on the road to more favorable economic conditions. However, there are still readjustments to be made in certain basic industries; also in the building trade, the steel industry, and more particularly in agriculture and in the lumber industry where prices are still too low.

One of the peculiarities of the depression from which we are emerging is that the fall in prices has not been uniform, nor in the same proportion for all classes of merchandises. This has greatly contributed to upset the equilibrium between production and consumption. Consequently even though the price level of agricultural products shows a rise, it is not equal to the rise in prices of manufactured goods required by the farmers.

We must not lose sight of the embarrassing problem arising from the heavy indebtedness of our governments, municipalities, and national railways. During the prosperous years taxes of all description continued to increase excessively and no provisions were made for a possible economic reaction. Consequently, with the beginning of the depression, our governments were forced to increase their respective indebtedness and find new sources of revenue, with the result that taxes have become too heavy and will retard our progress because they unduly increase the cost of living and the cost of production. The real estate owner is in a particularly precarious position due to the shrinkage of his income; he finds it difficult to renew his mortgage loans and pay taxes which have become too burdensome.

The deficits of governments and municipalities must cease if our country wishes to retain its good credit. Moreover it is necessary that expenditures be cut to the greatest possible degree. The time is opportune for certain groups to convince themselves that it is impossible for the State to continue to assume burdens which are not within its province and that its normal functions do not consist in substituting for private initiative. The problems which our public men have to face will be made easier if the State would free itself of the unusual obligations which it has accepted. This would permit governments to maintain expenses within revenue and enable them to reduce the debts created in the past. Also as we stated last year, the fight against unemployment should be waged by other means than direct relief to the unemployed; we should return to the method of productive employment.

The revision of the Bank Act will be made during the present Session of Parliament which opened a few days ago. In anticipation of this event, the Federal Government appointed a Commission to inquire into the operation of our present system and the public was given every opportunity of expressing its views before this Board. The banks readily supplied all data required of them by the Commission; on the other hand criticism appeared from certain quarters. It would have been amazing had it been otherwise, for in times of depression banks and other financial institutions are always at fault according to certain groups. It is at least consoling to read in the Commission's report the favorable commentaries on the Canadian Banking System made by the two English members, Lord Macmillan and Sir Charles Addis.

Recently, the Prime Minister announced his intention of presenting a bill before Parliament for the establishment of a Central Bank. We have already heard it said in various circles that an institution of this type is not necessary and that it cannot supply the advantages expected from it. It is a well-known fact that in the United States the Federal Reserve System could not prevent the inflation which took place a few years ago; nor has it been able to control deflation. Can we anticipate that a Central Bank in this country would do any better? It is highly improbable. If, however, our legislators finally decide in favor of a Central Bank it is to be hoped that they will bear in mind that the inauguration of any new mechanism to help solve the problems of this country must be made in view of protecting our own interests. It should have as directors men who are independent of all factions, political or otherwise; men who understand our mentality, our needs, and the advantages and inconveniences of a relatively small population spread over a vast territory.

The time seems opportune to take steps to protect the public when investing capital funds in fixed interest bearing securities. During the last few years, tremendous amounts have been lost because of the flotation of bond issues in order to acquire capital for amalgamations, or for new enterprises which were not established on a sound basis. In many cases assets were inflated to make the issues more attractive, and the purchasers of the bonds never possessed the equities which they believed they were buying.

It is becoming more and more important today to re-establish confidence in fixed income securities, if we wish to be prepared when the time comes to raise new capital for enterprises, as industry cannot depend on short term borrowings for the financing of fixed assets.

Your Commissioner - Censors through their President will now submit their report for the year. It is with pleasure that we express our appreciation for the faithful and diligent exercise of their mandate. Thank you very much, gentlemen.

The General Manager's Address

The thirty-third balance sheet and statement of operations for the year ending November 30th, 1933, which we have just placed before you again reveal a strong liquid position; they reflect a policy of prudence which is even more important during a period of depression than in normal times.

A high liquid position in a bank as well as in other organizations being one of the most important elements, your directors in the past and even more so during these last few years have deemed it advisable to follow such a policy even though profits may have suffered a certain extent.

At the close of our year, on November 30th last, liquid assets consisting of Cash on Hand, holdings of Dominion, Provincial, Municipal and other Canadian securities. Call Loans, etc., amounted to $26,700,733.83 and represented sixty-seven (67%) per cent of the bank's liability to the public against sixty-four (64%) per cent at the end of 1932.

The profits for 1933 were $410,654.52 compared to $454,659.12 for the preceding year. Your directors believe that this showing will be found satisfactory if we bear in mind that the first quarter of 1933 was the least active of any since the beginning of the depression, and that the first tangible signs of the recovery were only noticeable during the last six months of the year.

After having provided for dividend requirements to the extent of $250,000.00, paid taxes amounting to $90,500, and made appropriations of $40,000 for Bank Premises, and transferred, as we did last year, $100,000.00 to contingent reserves, the balance of the Profit and Loss account still shows a surplus of $300,074.83.

Commercial loans and discounts representing advances to manufacturers, and to customers engaged in all branches of commerce, and to the agricultural class aggregate $14,983,765.26 and show a contraction of about $2,000,000. This reflects the lessened requirements of borrowers because of decreased business activity and the fall in prices. The other asset items show very little variation with last year.

Our deposits remained quite stable during the year. On November 30th, 1933, total deposits were $35,757,638.50 as against $36,114,205.11 for 1932, the contraction being less than 1%. Commercial deposits are a little higher, while those bearing interest are slightly lower.

Advances under the Finance Act, which were $1,800,000 in 1932, have been reduced to $600,000; this amount represents our share of a $35,000,000 loan made to the Dominion Government by the Chartered Banks as agreed.

The Note Circulation, which varies according to business conditions, shows a slight increase during the last few months due to moderate but positive signs of recovery. The total amount of circulation according to the balance sheet is $3,451,605.00 and represents an increase of about five (5%) per cent over the corresponding figures for last year.

No new branches were opened during the course of the year. For reasons of economy, we have converted our Kinkora, P.E.I., branch into a sub-agency. A new sub-agency was opened at St. Joseph de Grantham and seven were closed in places where the volume of business was not sufficient to cover costs of operations. We have at this date one hundred and thirty-seven branches and one hundred and eighty sub-agencies, or a total of three hundred and seventeen offices.

It is a pleasure for me to express to all members of the staff the gratification of the directors for their contribution to the results shown for the year. A good number of our employees are taking Banking Courses during their spare time, in order to increase their knowledge of banking matters and to be of the greater service to our clientele. We congratulate them and urge them to continue.

At the present time, indications point to a gradual recovery in business. Progress will be slow, but the turning point of the depression seems to have been passed. Statistics relating to commerce, industry and business in general already give assurance of a betterment of economic conditions. Prices for the crops of 1933 show an appreciable advance. The improvement in our domestic trade is notable. The purchasing power of the consumer is increasing. Our export trade is also increasing. Canada had a favorable balance of trade at the end of November; our exports exceeded imports by some 130 millions of dollars. Our country is surely returning to normalcy.

The many barriers imposed against the entry of goods by the nations desirous of protecting their own markets and industries against foreign invasion; the controlled economic policies; periods of unreasonable overproduction, and the abuse of credit facilities have in the past caused excesses, the serious consequences of which the world has had to bear in recent years.

The protracted influence of these factors of the depression is still retarding to a certain extent, the improvement in finance and the reestablishment of the world's economic equilibrium. On the other hand, the inauguration of a new monetary policy in the United States in 1933 and its subsequent developments dominate the situation. If this bold initiative has up to the present given satisfactory results, it is nevertheless causing anxiety due to its experimental nature. In effect, a controlled currency sometimes ends by escaping from the influences of those who introduced it; and may then bring unforeseen problems in the economic system.

In some countries of late years, the rich land-owners and the wealthy classes do not seem to know how or where to invest their capital funds. This is partly due to the marked fluctuations of some of the exchanges; the abandonment of the gold standard by several of the big nations and the possible effects of new policies on the foreign exchange markets. In certain circles the gold standard has been held responsible for many of our financial disorders but it seems that it has only ceased to function because we were asking it to accomplish the impossible. The gold standard could not of itself offset and counteract the consequences of the abuses caused by excessive overproduction and overcapitalization. A sound policy of stabilization of currencies, and an equitable adjustment of war debt problems on the basis of present day conditions would be powerful factors for ensuring the stability of exchanges. In due course, these factors would permit the return to more moderate tariffs, the free movement of capital and the free exchange of goods.

We must not depend on a wilful inflation of credit and of credit instruments for a steady and lasting improvement in the economic field. Whatever happens, credit will not function normally unless are brought together a solvent borrower offering satisfactory security on the one hand and a lender having a supply of liquid capital on the other. The lender with unemployed capital is more prudent than ever. He seeks borrowers who are morally responsible and have the capacity to repay surely. Credit is not lacking, there is an abundance of funds but desirable borrowers offering sound security are not very numerous.

The more important enterprises have placed themselves in such a degree of liquidity that they are not borrowers; they have their own capital. Under the circumstances to force credit in circulation would be a dangerous process according to impartial observers.

Of late we have heard much discussion of the intention of the Government to establish a Central Bank in Canada. Our President has expressed the views of your board of Directors on this subject. With all those who have closely followed the operation of the present banking system we are of the opinion that it is of paramount importance that the privilege of issuing bank notes, to the extent of their paid-up capital at least, be left to the Chartered Banks in order that their revenue be not unduly impaired and that they be justified in continuing to operate a number of branches in small towns and rural communities where the same efficient services as in the larger centres are made available to these communities without extra charge, their transaction of business facilitated and their economic and industrial development encouraged.

In every respect 1933 has been a difficult year, however, the future looks brighter. The business world shows more confidence than in many months in the return of normalcy. Let us try and derive some benefits from the difficult period through which we have just passed. Let us make prudent preparations for the new era which is coming. Let us bear in mind that nothing can replace hard work, thrift and foresight, which are the solid foundations of all enduring and important achievements in the economic as well as in other fields.

Report of the Commissioner-Censors

We respectfully submit the thirty-third report of the Board of Commissioner-Censors.

We have held our meetings regularly. The documents, vouchers and other information we have requested in the exercise of our functions have always been furnished readily.

We have verified the securities belonging to the Bank and have ascertained that the amount of the Call Loans added to cash on hand and in bank has always been in excess of the amount required by your By-Laws.

We note with pleasure that the results for the year just ended, have been satisfactory.

We ask you to kindly accept the reports which have just been submitted to you and which are proof that your Institution enjoys the confidence of the public in all parts of the country.

For the Board of Commissioner-Censors.

(Signed) E. L. PATENAUDE,
President.

Honorary President—Named Directors

Honorary President, Sir Hormisdas Laporte, K.B., P.C.; President, Mr. S. J. B. Rolland; Directors, Messrs. H. Gerin-Lajoie, K.C.; Oscar Dufresne, Jos. Sjrois, N.P.; J. L. Coderre, Chs.-A. Roy, Alphonse Raymond Alfred Lambert, Geo. A. Savoy.

Commissioner-Censors Named

Chairman of the Board: Hon. E. L. Patenaude, P.C., K.C.; Hon. Cyrille F. Delage, N.P.; Mr. J. L. Fortin, Hon. Raoul O. Grothe, L. C.; Hon. Louis Cote, Mr. J. Ed. Labelle, K.C.

Bank Chat on Current Topics

The Central Bank of Canada

WHILE for some months it has been certain that Canada would have a central bank, it is now assured that this bank will be "The Central Bank of Canada." Details of the bill which will give substance to this institution are not available as this is written, although the draft of the bill has been given to the Canadian commercial banks who are pledged to secrecy regarding its provisions. Before the week is ended it is probable that the contents of the bill will be generally known throughout Canada.

If 1933 can be regarded as the year of preparation for "The Central Bank of Canada," 1934 will be the year in which plans are consummated and, by 1935, the bank should be an actual fact and in operation. Before that can happen much must transpire. The bill as presently drafted will be presented for first and second reading in the House; it will be subject to close examination in committee where bankers may again give testimony; it must finally pass through the House and then the Senate, where further criticism may be made and then there will be the selection of the governor, deputy and assistant deputy governor and of the directors. There is every indication that The Central Bank of Canada will be a leading item in the news throughout 1934.

* * *

History is Brought Up to Date

WITHIN the course of three or four months the third volume of The History of The Canadian Bank of Commerce will be off the press and available to the 5,000 employees of the bank. Written by A. S. L. Trigge, former secretary of the bank, this volume will cover the period of great expansion from 1919 to 1931. Mr. Trigge also supervised much of the work which went into the initial two volumes which were written by Victor Ross, former financial editor of the Toronto Globe and now a vice-president and director of Imperial Oil Co.

The Canadian Bank of Commerce is fortunate in having as its historian one who, through long association, has an intimate knowledge of the development of the bank. Not always is this knowledge combined with the ability, interest and perseverance necessary in the writing of such a history.

Branch Changes

The **Bank of Toronto** opened a branch on January 10 at Pioneer Mine, B.C., under the management of J. E. Boyle, formerly of the staff of Vancouver branch.

Staff Changes

The **Imperial Bank** reports the following staff changes:

J. S. CARTER, formerly manager, St. Clair and Runnymede branch, Toronto, has been appointed manager, Bloor and Durie St. branch, Toronto.

F. W. CUMMINS, formerly attached to Head Office Staff, has been appointed manager, St. Clair and Runnymede branch, Toronto.

T. R. JONES, who has been in charge of the branch at Chatham, Ont., for the past 5½ years, has been appointed manager, East End branch, St. Thomas, Ont., succeeding H. W. SCARFF who is being granted extended leave prior to retiring on pension.

N. B. CUMMINS, manager, Harrow, Ont., has been appointed manager, Chatham, Ont.

A. L. SONLEY, who was in charge of South Woodslee branch, recently closed, has been appointed manager, Harrow, Ont.

C. P. Borland is President Peterboro Clearing House

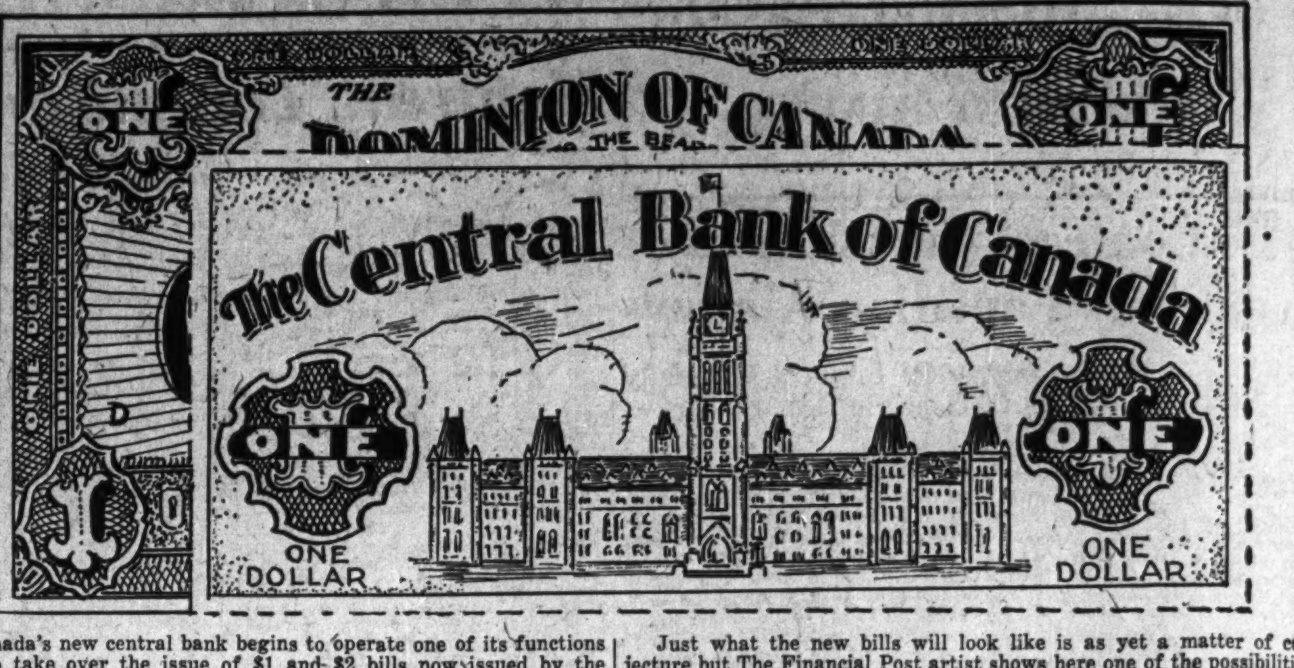
Officers of the Peterborough Clearing House for 1934 have been elected as follows: C. P. Borland, Bank of Toronto; vice-chairman, B. F. Chilton, Bank of Nova Scotia; D. E. Falkner, Canadian Bank of Commerce; R. T. E. Hicks-Lyne, Dominion Bank; H. C. Sootheran, Royal Bank; T. A. Mackay, Bank of Montreal.

Secretary of the clearing house is D. E. Morgan, Bank of Toronto.

Weekly Bank Clearings

	Feb. 1 1934 $	Change year ago %	Jan. 25 1934 $
Halifax	1,677,513	—0.4	1,760,072
Saint John ..	1,500,143	+21.7	1,238,413
Moncton	488,335	—6.0	657,854
Sherbrooke..	439,309	—12.8	441,930
Quebec	3,312,593	—15.4	3,119,493
Montreal ...	81,809,067	+4.6	83,364,670
Ottawa	3,339,862	—8.7	4,604,488
Kingston	374,951	—10.5	399,906
Peterborough	482,960	+6.8	515,487
Toronto	95,375,488	+14.0	142,991,830
Hamilton	3,275,171	—5.7	3,204,479
Kitchener ...	867,142	+19.3	876,658
Brantford ...	620,708	+5.1	656,100
London	2,095,065	+8.4	2,247,583
Chatham	430,012	—1.9	384,869
Windsor	1,733,114	—5.0	2,306,721
Sarnia	222,376	—17.3	379,030
Sudbury	533,416	+37.9	458,894
Fort William	370,451	—10.1	408,020
Winnipeg ...	36,429,189	+39.8	31,017,955
Brandon	222,141	—0.9	214,766
Regina	2,383,833	+22.8	2,242,711
Moose Jaw ..	348,146	—2.3	359,557
Saskatoon ...	843,079	—1.8	940,117
Pr. Albert ..	188,875	+4.2	180,138
Edmonton ..	3,042,047	+8.7	3,041,699
Calgary	4,160,737	—7.6	4,462,782
Medicine Hat	145,303	—0.9	167,579
Lethbridge ..	326,735	+11.0	351,417
N. W'minster	424,047	+8.7	386,530
Vancouver ..	13,558,566	+10.7	13,506,580
Victoria	1,353,593	+6.9	1,332,539

Your New Dominion Notes May Look Like This



When Canada's new central bank begins to operate one of its functions will be to take over the issue of $1 and $2 bills now issued by the Dominion Government. Also it is probable that the opportunity will be used to introduce the new small-sized bills now in general use in the United States and which were mooted last year at Ottawa.

Just what the new bills will look like is as yet a matter of conjecture but The Financial Post artist shows here one of the possibilities, namely, a small $1 bill issued by "The Central Bank of Canada" and bearing a picture of the Parliament Buildings at Ottawa. It is shown against a reproduction of the present Dominion note issue.

CAN. PERMANENT GENERAL MANAGER HITS HIGH TAXES

Objects to Great Duplication of Government Services

Calling for direct action "to remove the costly and absurdly unbusinesslike conditions under which our 10,000,000 people are overgoverned," George H. Smith, first vice-president and general manager of the Canada Permanent Mortgage Corp. addressed shareholders at the annual meeting held recently and demanded of all public-spirited Canadians a realization of "the seriousness of the present situation and the necessity of such action as business men would take to meet it." He reminded shareholders of the extent to which profits had been impaired by steadily rising taxation. Excluding taxes on real estate, profits of the corporation in 1933 had been reduced by 21.52 per cent through taxation and this amounted to 2.24 per cent of paid-up capital as compared with only 1.47 per cent 20 years ago.

He pointed out that the state was no richer than the combined assets of its citizens and that taxation is strangling business that contributes to the wealth of the state. He believes Canada to be "ridiculously over-governed" with excessive duplication of services by the nine provinces and the Federal Government. Much of this duplication could be eliminated by reducing the number of provinces to five. Both municipalities and counties, could, with advantage, be reduced to one third their present number. The sooner that unbusinesslike government is eliminated the sooner will Canadian business be afforded the relief it must have.

Taxes Confiscatory

Taxation in some provinces, of which Mr. Smith spoke with authority because of the nation-wide operations of his corporation, is now so high as to amount almost to confiscation. Its effects are very far-reaching. Taxation has so discouraged the loaning of money on real estate as to result in the practical discontinuance of building construction. The direct effects of the collapse in construction, one of our most important industries, in creating unemployment, have recently been brought to everyone's notice. The effects extend from trade to trade, so that the evils initiated by taxation to cover unproductive expenditure on keeping up governments, appear as stagnation and unemployment in practically every productive occupation.

The remedy suggested in Mr. Smith's address is "a conference of representatives of all the interested bodies, meeting around a table" in the determined spirit the facts call for. He added that if solving the problem involves revising the British North America Act, "the sooner they set about it the sooner will Canadian business be afforded the relief it must have."

Act to Curb Sale of Silver And Gold Plate

From Our Own Correspondent

OTTAWA—Hon. Harry Stevens, Minister of Trade and Commerce, has introduced amendments to the Precious Metals Marking Act in the House of Commons which are designed to enable the buying public to distinguish more easily between goods of various qualities.

The word, "mount" in the old statute is re-defined and its use is restricted. In order to assist the public in identifying high class articles of gold and silver a new mark is authorized.

This mark is a "C," and may be stamped upon articles made of gold of not less than nine carats fineness and upon articles made of sterling silver.

A severe curb is placed upon the use of the words, "Sheffield Reproduction," which hereafter will be reserved for high quality goods. Restrictions, also, are placed upon the use of the words, "gold plate," "rolled plate," "electroplate," and silver-plated flatware.

Provincial Bank Elect New Executive Officers

From Our Own Correspondent

MONTREAL. — Sir Hormisdas Laporte, K.B., P.C., president of the Provincial Bank of Canada since 1907, tendered his resignation at the annual meeting of the shareholders and was succeeded in office by S. J. B. Rolland, chairman of the board of the Rolland Paper Co.

Other appointments made at the annual meeting included the election to the board of George A. Savoy, of St. Johns and Montreal. J. Edouard Labelle, K.C., member of the Board of Trustees for the Canadian National Railways, was elected a member of the Board of Censors.

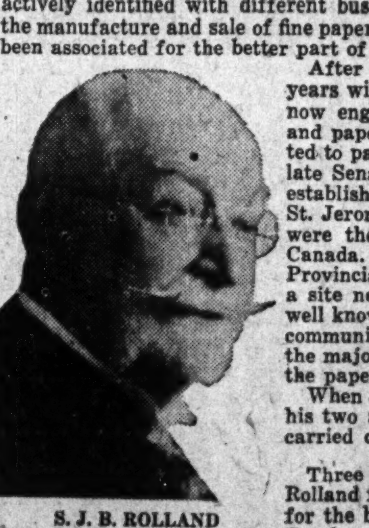
Commissioner-Censor

J. EDOUARD LABELLE, K.C.

Trustee of the Canadian National Railways, who has been appointed member of the Board of Commissioner-Censors of the Provincial Bank of Canada.

Rolland Heads Prov. Bank Is Man of Varied Interests

S. J. B. Rolland, newly-elected president of the Provincial Bank of Canada, is one of the few business men in Canada who can say that his business life is as old as the Dominion. Since 1867, when at the age of 16, he took a job as a clerk in his father's firm, Mr. Rolland has been actively identified with different business ventures, more particularly the manufacture and sale of fine papers with which his family name has been associated for the better part of the last century.



S. J. B. ROLLAND

After serving an apprenticeship of 5 years with J. B. Rolland and Fils, then as now engaged in the wholesale stationery and paper trade, Mr. Rolland was admitted to partnership. In 1882 his father, the late Senator J. B. Rolland, and his uncle, established the Rolland Paper Co. mill at St. Jerome. For many years the Rollands were the sole makers of fine papers in Canada. In 1902 the present head of the Provincial Bank built a second mill at a site near St. Adele. Today this site is well known as Mont Rolland, a prosperous community of several thousand people, the majority of whom are dependent upon the paper mill for their livelihood.

When Senator J. B. Rolland died in 1888, his two sons, S. J. B., and the late J. D. carried on and developed the business.

Builded for Permanency

Three successive generations of the Rolland family, who have been responsible for the building up of the Rolland Paper Co., have made it a cardinal principle of their business to maintain the very highest quality and uniformity in their products and in addition to this they have established and maintain in the paper trade a reputation for square dealing which has constituted its greatest assets in good and bad times.

While the development of the paper business required most of the time and energy of S. J. B. Rolland, he has taken his part in church and social life. He occupies an important position as a lay member of his church. Between 1892 and 1902 he was mayor of St. Jerome. He was one of the earliest presidents of the Canadian Pulp and Paper Association, holding that position in 1900. He is also keenly interested in hospital work, being a director of two of the principal hospitals in the province.

In addition to his interest in the paper business, Mr. Rolland has been associated with numerous other business enterprises. He held the position of vice-president of the Provincial Bank of Canada for several years prior to his recent appointment as president.

New Small Dollar Bills May Come With New Bank

Taking Over of $1 and $2 Note Issue by Central Bank May Bring Change — Economies Seen

By Staff Editor

OTTAWA.—Irrespective of what type of central bank will be introduced in Canada, it is definitely certain that such an institution will take over from the federal government its present function of issuing $1 and $2 bills.

This means that when the new central bank is set up, the familiar green bills bearing the same "Dominion of Canada" and the pictures of King George and the Prince of Wales will disappear.

Other Bills Not Yet Concerned

Bills of higher denomination than the $1 and $2 are, of course, issued by the individual chartered banks and the question of their fate is still in the balance. As indicated in last week's issue of The Financial Post the probability is, however, that the government will recommend that for the present at least the chartered banks note privilege issue be not withdrawn.

As we are to have new Dominion notes, however, it seems highly probable that the government will take the opportunity to introduce a new and smaller sized currency similar to that recently introduced in the United States. Such an important change in policy would, of course have to be agreed upon by the new central bank authorities and the individual chartered banks but as there are good reasons for making such a change it is considered highly probable that such a step will be taken at that time.

Matter of Economy

Chief reason for reducing the size of dollar bills in Canada is a matter of economy. Not only would these smaller bills be more economical to produce but an important saving would be achieved in postage and express charges on shipments between banks and branches. Present notes measure 3¼ by 7 inches, while the new United States notes measure 2½ by 6 inches. Thus, the saving in paper would be about one-third.

The contract between the government and the Canadian Bank Note Co. is understood to expire in 1934 and new arrangements for the issue of notes will have to be made at any rate. According to the experience of one Canadian bank, the life of its notes averages about fourteen months.

Is Slow Process

If a new issue is made, it undoubtedly would be some time before it could be put into general use. Most banks find that while the bulk of their notes circulate freely (that is they come back to head office within three or four months from the date of issue) about one-third of their currency is very slow moving, and exchange of these notes would be a long process. Even in the United States, where the change in size of currency was made in 1929 there are still very large quantities of the old notes outstanding.

Another factor is that bank notes must be kept in storage by the manufacturing company for several months after they are printed in order that they ripen and become fit for use.

Until the new central bank is named and until many other details are available, it is, of course, pure conjecture as to just what the new notes will look like. The Financial Post artist has suggested in the accompanying sketch one possibility; namely, that the bank be called "The Central Bank of Canada" and that a picture of the parliament buildings might grace the front of the bill.

Foreign Exchange

ESTABLISHMENT of a modified and perhaps temporary standard by the United States, through announcement on Jan. 31 caused wide swings in foreign exchanges in the week ended Feb. 5. Sterling and Canadian dollars accompanied the American dollar into the vicinity of 60 per cent of their former gold values. The franc tumbled to a five per cent discount from gold. Suggestions are made that a French gold embargo, franc devaluation, or gold standard abandonment in France may occur at any time.

As has been indicated frequently in this column, stabilization of the American dollar has resulted in a return flow of funds to the United States from Paris, London and Canada. Until more settled conditions exist, British and Canadian money plans are considered likely to be indeterminate. Stabilization of sterling at the old parity of 4.8665 to the new 59.06 cent dollar is mooted. But British authorities are believed still to be cautious on permanent stabilization policy.

* * *

ECONOMISTS have contended steadily that Canada's action must depend on that of Britain as well as that of the United States. If the pound were to be placed at a permanent discount in Canada, it is expected our exporters would be penalized. But a permanent U. S. dollar premium might tend to embarrass our debtors. The old parities would seem best for Canada.

FOREIGN EXCHANGE
New York Funds

	High (Premium)	Low	Last Year High (Premium)	Last Year Low
	%	%	%	%
Jan. 30	¾	⅛	17¾	17¼
Jan. 31	[illegible]	[illegible]	19⅛	17¾
Feb. 1	⅞	⅛	23	18½
Feb. 2	1½	¾	20	17⅝
Feb. 3	1¼	⅜	19⅛	17¾
Feb. 5	1	[illegible]	19	18½

STERLING, FRANCS AND LIRE
Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Jan. 30	4.99½	.0628½	.0840
Jan. 31	5.03½	.0640	.0849
Feb. 1	4.98	.0641½	.0854
Feb. 2	4.88	.0622½	.0829
Feb. 3	4.93½	.0633	.0943
Feb. 5	4.93½	.0616½	.0827

Close: Demand in Toronto

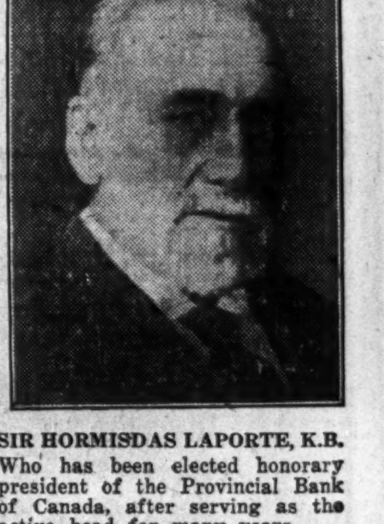
	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Jan. 30	5.04	0.0634	0.0849
Jan. 31	5.05	0.0631	0.0843
Feb. 1	5.00½	0.0641	0.0855
Feb. 2	4.95¾	0.0636	0.0845
Feb. 3	4.98	0.0638	0.0852
Feb. 5	4.98	0.0625¼	0.0834

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Jan. 30	0.3831	0.2250	0.3063
Jan. 31	0.3809	0.2239	0.3044
Feb. 1	0.3882	0.2273	0.3042
Feb. 2	0.3842	0.2255	0.3030
Feb. 3	0.3848	0.2265	0.3001
Feb. 5	0.3774½	0.2222	0.3030

N. S. Lumber Prospects Better

The horizon of Nova Scotia's lumbering industry is clearing and conditions appear considerably brighter, according to Hon. J. H. MacQuarrie, Minister of Lands and Forests. "During the present lumbering season," he said, "we will have one of the largest cuts of timber in years and one of the largest in the history of the province."

Gives Up Presidency



SIR HORMISDAS LAPORTE, K.B.

Who has been elected honorary president of the Provincial Bank of Canada, after serving as the active head for many years.

Bank of England Man Heads N. Z. Reserve Bank

First governor of New Zealand's recently established reserve bank will be Leslie Lefeaux who joined the staff of the Bank of England in 1904 and has been with that institution until the present time. Mr. Lefeaux was born in 1886 and in his 30 years of service with the Bank of England has gained a thorough knowledge of central banking organization and administration.

In accepting the post of governor of New Zealand's central bank, Mr. Lefeaux severs all connection with the Bank of England. He arrives in New Zealand about March 15.

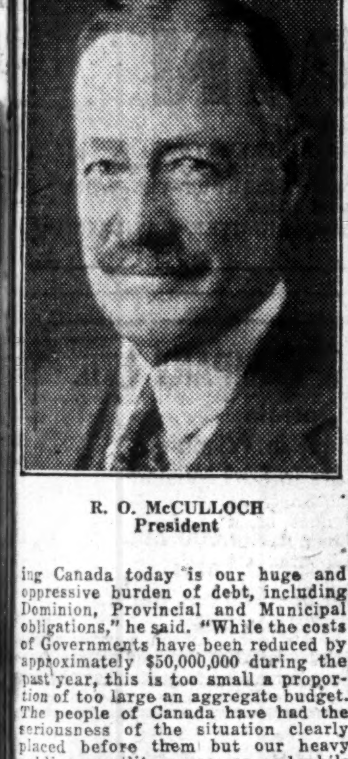
Monthly Bank Clearings

	Jan., 1933	Jan., 1934
Halifax	$ 8,168,915	$ 8,633,563
Saint John	6,010,299	6,496,289
Moncton	2,425,062	2,833,657
Sherbrooke	2,029,652	2,190,496
Quebec	14,819,381	15,290,526
Montreal	297,375,537	370,340,380
Ottawa	14,822,114	18,340,767
Kingston	1,932,674	2,060,172
Peterborough	2,229,935	2,425,197
Toronto	332,861,078	489,650,581
Hamilton	12,799,420	14,338,461
Kitchener	3,059,535	3,949,497
Brantford	2,726,529	3,358,804
London	9,084,530	9,689,682
Chatham	1,733,369	1,909,886
Windsor	7,888,304	8,403,175
Sarnia	1,442,243	1,847,098
Sudbury	1,633,974	2,366,567
Fort William	1,788,524	2,109,694
Winnipeg	141,044,169	166,134,228
Brandon	1,003,641	1,135,616
Regina	12,157,682	18,837,229
Moose Jaw	2,296,737	1,998,310
Saskatoon	4,428,602	4,463,238
Prince Albert	886,986	972,174
Edmonton	16,472,983	15,059,303
Calgary	17,829,228	18,837,229
Medicine Hat	700,606	803,207
Lethbridge	1,223,831	1,616,066
New Westminster .	1,576,993	1,821,825
Vancouver	47,843,974	60,112,084
Victoria	5,223,237	6,285,679

Mutual Life of Canada Maintains Unbroken Sixty-Four Year Record of Growth

Insurance in Force, Number of Policies, Assets and Reserves Increased in 1933—$4,406,797 Paid to Policyholders in Dividends—Dividend Scale Continued for 1934 — Payments to Policyholders and Beneficiaries Since Incorporation in 1869 Total $165,681,289.

Waterloo, Ont., Feb. 1, 1934—That the total amount of Insurance in force was increased in 1933 to $518,521,336, thus maintaining an unbroken record of sixty-four years of consistent growth, was one of the outstanding features of the reports presented to the policyholders of The Mutual Life Assurance Company of Canada at the 64th Annual Meeting held here today. More policies were issued in 1933 than in 1932 and 45.71% of the new insurance paid for was issued on the lives of those who were already insured in the Company. It was revealed that the sum of $17,391,769 was paid during the year to policyholders and their beneficiaries bringing the total so paid since the inception of the Company to $165,681,289. Included in the first amount is $4,406,797 and in the latter $54,582,681 for dividends which are the return of surplus earnings. When presenting these figures, the President of the Company, Mr. R. O. McCulloch, referred to the very satisfactory surplus earnings during 1933, which enable the company to continue to pay the same high scale of dividends in 1934 as was paid in 1933. In view of the fact that the General Manager, Mr. W. H. Somerville, would make extended comment on the Company's statements, Mr. McCulloch then spoke on other matters of national interest.



R. O. McCULLOCH
President

"I think it is no exaggeration to say that the most important problem facing Canada today is our huge and oppressive burden of debt, including Dominion, Provincial and Municipal obligations," he said. "While the costs of Governments have been reduced by approximately $50,000,000 during the past year, this is too small a proportion of too large an aggregate budget. The people of Canada have had the seriousness of the situation clearly placed before them but our heavy public expenditure goes on and while some of it is, of course, necessary, such as the outlay for the relief of those who must be helped, with which I am entirely in accord, it must be obvious that the burden of taxation has gone beyond the limit of our people and that there must be a drastic reduction in expenditure and a balancing of budgets if we are to make real progress. All of our Government authorities must sooner or later base their expenditures on what we can afford, not on what we would like to have, just as most corporations and private individuals have been already compelled to do. The longer it is postponed the slower will be the rate of recovery and it is very disappointing to observe the general failure to insist upon or put into effect economies which involve discomfort or inconvenience.

It must be obvious that we have too much government. There are nine provincial governments with their quota of legislators, officials, employees, etc., housed in expensive buildings, all of which with the large amount of direct and indirect expenses involved must be maintained by taxation, in an area where four or at most five government units would suffice. Similar extravagance obtains in the constitution and organization of our municipalities. Clearly much expenditure would be saved by combining some of the municipal councils and some of the provincial governments thus eliminating duplication of legislatures, costs, etc.

The way out does not lie in continuing, much less in extending, these heavy tax burdens nor in the introduction of more legislation hopefully designed but essentially unsound. Budgets must be balanced by reducing expenses and not by increasing taxes. A very substantial portion of life companies' investments is represented by first mortgages on urban and rural property and it is generally recognized that life companies have been most considerate in their treatment of unfortunate mortgagors who, in many cases through no fault of their own, have found it difficult to meet the requirements of their mortgage obligations. In these times of stress we have been exceedingly sympathetic with our borrowers and have gone a long way to help them with their problems but it must also be remembered that the money loaned was accumulated by the savings of many thousands of policyholders who are none the less entitled to be considered because the returns come back to them through the medium of a strong company. Loans are made on the promise of the mortgagor to pay and in addition to the security the lender relies on the covenant of the borrower. The reserves which each company has accumulated from the premiums it has received and which it holds for the policyholders must earn reasonable interest to enable the company to conduct its business and carry out its obligations and the premium rates are partly determined by the interest earned. The success of a life insurance company depends on the stability and steady earning power of these investments. The money which we have loaned belongs to our policyholders and the responsibility rests with your directors to invest the company's funds on sound principles and in diversified securities of stable value in order to realize a steady income.

'Security First' has always been the guiding principle of the investment policy of this Company and our investments have been made on a conservative basis in good faith and under existing laws. Some of these laws have been substantially changed in the various provinces with the result that some of the protection afforded has been taken away from us by legislation. The result is that protection has been given to many undeserving debtors, credit has been impaired and loaning has practically ceased where legislation of this character exists. In most cases mortgagees have not been unreasonable and if a few mortgagors have been relieved of unreasonable pressure by the general protection afforded indiscriminately to all, it will have been ultimately at the expense of the local community as a whole whose credit has been thus impaired. While these acts remain in the statutes of the provinces, much construction work is held up and my own view is that legislation of this nature and moratoria in the long run, result in more harm than good to the very communities they are intended to serve and protect."

Mr. McCulloch spoke at some length on the farm loan situation which, he stated, still continues to present difficulties. However, the general outlook for agriculture is considerably brighter than it was a year ago. Several large insurance companies which have substantial investments in western farm mortgages and have been co-operating under the Colonization Finance Corporation in providing advice and management to the farmers in whom they are interested, are continuing to extend their operations in this direction and are considerably encouraged by the results achieved during the past year in spite of adverse conditions.

In view of the general mortgage situation The Mutual Life in the past year invested most of its funds in the highest class of bonds, purchases of which increased $5,477,583 during the year. The large amount of money placed in circulation through payments under policy contracts during the past few years and its beneficial effect on the economic life of the country were discussed by Mr. McCulloch, who continued: "The steadily decreasing purchasing power of the nation as a whole has probably been the most potent factor in prolonging the period of depression and retarding the return of reasonable industrial activity. One can only surmise to what extent this condition would have been accentuated had it not been for the disbursements made by life insurance companies to their policyholders in Canada during this period. Excluding policy loans it is estimated that over half a billion dollars was distributed in the form of payments under policy contracts and the beneficial effect of this contribution, in the hour of need, to the welfare and morale of Canadian citizens generally can only be estimated. Paramount among the economic forces of the nation stands the institution of life insurance and the depression which is now slowly passing has done much to emphasize the vital importance of the position which it occupies.

Up to the last decade the object of life insurance embraced little more than protection for the widows and orphans in the event of the death of the wage earner. Then followed an era in which the advantage of a life insurance policy as a sound and remunerative investment became generally recognized and resulted in an unprecedented growth in the volume of life insurance carried and the assets thus created.

W. H. SOMERVILLE
General Manager

During the last forty years life insurance in Canada has increased from $32.00 to $415.00 per capita. At the beginning of the present century there was only one life insurance policy in force for every thirty-four people of this country but today the proportion is as one to five.

However, the outstanding feature of life insurance is not its remarkable growth but rather its magnificent contribution to the nation's ability to stand the shock and continued strain of world-wide depression. Prior to the depression most companies were trying to write as much business as they could and Canadian companies were inclined to follow this American trend rather than the traditional British practice but the companies have learned through stern experience the essential virtue of quality rather than quantity in building up a structure worthy of the life insurance enterprise in Canada.

It was found that millions of insurance improperly distributed and injudiciously sold became a weakness rather than a strength in supporting the stability of companies in times of strain. Strict attention has been concentrated upon conservation rather than further accumulation and service to policyholders has become the dominant note rather than an unrestricted sales policy. The result has been that the best thought of life insurance officials has been directed to the preservation of its policies and its assets and this has proven to be a contribution of inestimable value to the solution of many of our national problems.

In all our problems of common and national interest, life insurance companies have been working together in close co-operation and the splendid spirit which prevails among all Canadian companies who are constantly in competition with each other is a tribute to the breadth of mind and vision of the Canadian life insurance companies in general. Many opportunities have presented themselves during the past four years which might have enabled companies to take advantages of chaotic conditions to their own benefit and to the detriment of a sister company but the attitude unanimously adopted against any attempt to switch policies is a splendid indication of the unwillingness of companies to encourage any disturbance whatever of the high regard in which life insurance is held in our country.

In conclusion, although economic and business conditions are still far from satisfactory I am glad to say that there does seem to be a definite improvement and I think with the feeling of confidence which is universally evident we may reasonably hope that the results of the year 1934 will not be disappointing."

DIRECTORS' REPORT

The board of directors reported new insurance issued and paid for amounting to 17,208 policies for $47,074,818, with total insurance in force increased to $518,521,336. Total cash income for the year was increased to $27,990,716. The company's assets increased by $6,714,115 to a total of $138,912,508. Surplus earnings amounted to $5,091,019 and special reserves and surplus funds aggregate $11,917,520.

The retiring members of the board, Messrs. Hon. S. C. Mewburn, K.C., Hamilton; T. A. Russell, LL.D., Toronto; Isaac Pitblado, K.C., LL.D., Winnipeg; L. J. Breithaupt, Kitchener, and C. F. Sise, Montreal, were re-elected.

At a meeting of the board held subsequent to the annual meeting, Mr. R. O. McCulloch was elected president; Mr. L. L. Lang, first vice-president, and Hon. S. C. Mewburn, K.C., second vice-president.

In addition to the directors who were elected, the following are members of the board; Mr. W. G. Watson, Toronto; Hon. J. Fred Fraser, Halifax; Mr. W. J. Blake Wilson, Vancouver; Hon. J. E. Perrault, K.C., Arthabaska, Que.; Mr. E. G. Long, K.C., Toronto; Mr. Glyn Osler, K.C., Toronto; Mr. C. H. Houson, of Chatham, Ont., and Mr. W. H. Somerville, Waterloo.

Insurance for Buyer and Seller

RETAIL DISPUTE IS NOT HELPED BY FED. STATUTE

Best Recourse Thought to be Via Membership of Association

By Staff Editor

OTTAWA.—That federal legislation is of little aid in curbing alleged malpractices of retail trade associations in respect of their fire policy affiliations, is the unofficial view expressed here this week to The Financial Post.

Much interest has been aroused by the report published in The Financial Post last week quoting a demand on the part of the trade paper, Hardware and Metal, Toronto, for more light in respect of the relations between certain insurance companies and trade associations in recent years.

According to this article, certain retail trade associations are alleged to have brought pressure to bear on insurance companies in return for permission to write insurance among members with the official endorsation of the trade body. The matter has apparently been brought to a head by the refusal of Northwestern Mutual Fire Association to continue its contract with the Ontario Retail Merchants' Association.

One of the reasons given for withdrawal of the Northwestern Mutual is that it has been subject to increasing pressure to grant the trade association "financial allowances" and that it had reached the point where they could no longer possibly continue to meet these demands. The trade newspaper, Hardware and Metal, believes the whole situation is greatly in need of a thorough airing.

The viewpoint expressed in respect of insurance legislation was that as long as the total sum paid out by an insurance company by way of commissions and so forth was not excessive, there was little that could be done. In other words, it was thought that there would be difficulty in enforcing any ruling to curb payment of so-called "financial allowances" since these could easily be paid in the form of direct commissions in the event of a ban being placed on payments of that particular type.

One point of view expressed was that the best recourse to fit the situation was by policyholders demanding a check-up through the retail body itself. That is to say, it was felt that a primary step would be for members of an association to demand a strict accounting of all moneys received by the association from the insurance company and in this way members would best be protected against any unreasonable type of payment.

SASKATCHEWAN LIFE ISSUES '33 REPORT

New Business Gains But Total in Force Shows Drop

A slight increase in new business issued and a decline of just over a million dollars in business in force is reported in the annual statement of Saskatchewan Life submitted to shareholders recently. New business issued in 1933 was reported at $1,570,000 while total business in force at the end of the year was $9,111,000.

Assets are slightly lower but amounts paid to policyholders and beneficiaries during the year increased sharply to $284,000 due largely to increased demand on the part of policyholders for cash surrender values.

Further amounts were added to reserves during the year, the total of reserves and surplus standing at $518,000 at the end of the year as compared with $459,000 at the end of 1932. This is exclusive of paid-up capital of $100,000.

Preliminary figures for chief items with comparative totals for 1932 follow:

	1933	1932
	$	$
New ins. issued	1,570,453	1,522,678
Bus. in force	9,111,486	10,117,652
Total assets	2,203,954	2,241,002
Policy payment	284,452	195,002
Res. & surplus	517,603	458,664

Newfoundland's Commission To Take Office, February 15

The middle of February has been set as the date on which the "Commission" government will take over jurisdiction of the affairs of Newfoundland, according to an announcement made in the British House of Commons. The British members sailed on February 2.

It was added that letters patent, establishing the new form of government, had been issued and would become effective on proclamation on the island.

Says Study of Conditions Upholds Debt Arrangements

Stand Taken by Mortgage and Insurance Companies in Respect of Mortgage Obligations Only Fair and Reasonable, Insurance Executive Thinks

A. N. MITCHELL
General Manager, Canada Life Assurance Co.

During such a period as we have been passing through there is naturally a great deal of discussion of adjustment between debtors and creditors. This has been especially emphasized in connection with mortgages in all parts of the country.

Many suggestions have been put forward which indicate numerous misconceptions of the true position of affairs.

Some suggestions would appear to indicate a belief that the mortgage lenders are desirous of acquiring the properties upon which they have loaned. In so far at least as the institutional loans are concerned, nothing could be farther from the facts. It is our belief that in practically every instance the institutional mortgage lenders are using every possible means to keep their borrowers in their homes and on the land.

It must also be borne in mind that in companies such as ours the loans were made, even in the boom times, on a very conservative basis and that as a matter of fact very considerable periods of stress can pass by before there is serious danger in most cases of ultimate loss on the investment.

Mortgage Holder as Policy Holder

In connection with the mortgage situation, there is another factor which is frequently overlooked. Speaking for the life insurance companies alone, it must be borne in mind that frequently the debtor and the creditor are the same person and if not the same person, invariably individual members of the same community.

Life insurance funds are made up of small contributions from a vast number of policyholders. As a matter of fact it requires the average policy reserves of at least four or five policyholders to make one average mortgage loan. The mortgage holder is frequently also a policyholder. In such case, his mortgage money, when borrowed from a life insurance company is in reality in part his own insurance funds and in part those of two or three of his neighbors. Let this basic fact be remembered in all mortgage discussions.

Mortgages Are Promises to Pay

Mortgages were made upon the express promise of someone to repay the amount of the loan. Upon the carrying out of these promises the security of the policyholder depends. Some people are inclined apparently to consider a mortgage as an option under which the borrower has either to keep his property, if everything is well, or to turn it over to the mortgagee if things go wrong. In reality the transaction was a loan on the borrower's solemn promise to pay and the security, although important, was not the sole consideration.

Without the promise, backed up by what was believed to be sound character, the loan would not have been made. In a life insurance company these loans were made for the purpose of obtaining and maintaining the rate of interest, which is required for the production and maintenance of the reserves necessary to meet the liabilities to the policyholders. It is surely evident that the companies would prefer to retain on these properties the owners who are interested in them, rather than take the properties and the chances involved by resale or tenancies.

Company's Obligations

Common sense dictates that life companies should do their utmost to help their borrowers through the time of need, providing that in so doing they do not unduly endanger the security of the policyholders who made the loan. If a borrower absolutely fails to regard his obligations as serious then there can be no doubt that the life insurance company owes it to its policyholders to protect their interest by taking over the property, properly maintaining it and finally disposing of it at the earliest possible moment consistent with good business judgment.

It can, however, be put down as a fundamental that no life insurance company wants to own a property on which it has a mortgage. On the other hand, no life insurance company bearing as it does a quasi-trustee relationship between policyholders and borrower, can submit patiently to the propaganda which demands everything for the borrower at the expense of the policyholders. Those who demand legislative moratoria and wholesale destruction of contracts are merely destroying future credit and incidentally demanding something which will injure a larger group of citizens than they plan to benefit.

We believe, however, that the great majority of people think soundly on these subjects and the evidence that this is so is found in the fact that even in this time of stress such a great majority of mortgagors recognize the solemn nature of their contracts.

BOND HOLDINGS OF MUTUAL LIFE SHOW INCREASE

Annual Meeting Hears Details of Company's 1933 Investments

Substantial increase in holdings of Canadian government bonds during 1933 was reported by W. H. Somerville, general manager of the Mutual Life Assurance Co. of Canada, at the company's annual meeting in Waterloo last week.

Total bond purchases during the year were reported at $13,472,000, part of which were made from new moneys and part from proceeds of bonds with external payment feature which were sold at a profit during the new year. Holdings of Canadian government bonds increased by over $5,000,000, so that total holdings of Canadian government and municipal bonds now total $41,833,000, or 30 per cent of total assets.

Interest Rate Lowered

Interest earned on investments during the year was reported as 5.22 per cent, as compared with 5.67 per cent a year ago. This is explained by reason of increased holding of bonds and a lower percentage of mortgages. Yield rate obtained on the new bonds purchased during the year, for instance, was 4.81 per cent, compared with 5.51 per cent a year ago. Thus as from January 1 the company has decreased the rate of interest which it will pay on sums left with the company from 5 to 4¾ per cent.

In respect of mortgages the company reports that of $40,734,000 invested, 78 per cent represents loans on city properties and 32 per cent on farm properties, the latter chiefly in the West. Actual collections of interest and sundries in 1933 in Manitoba and Saskatchewan were $44,000 greater than in the previous year. Similar improvement did not obtain in Alberta, due to unfavorable weather conditions, which delayed threshing and marketing.

Loans to policyholders comprise 21.10 per cent of the total assets, a slight decrease from the percentage of 21.3 per cent last year. The actual advances made in 1933 were $6,819,000, a decrease of over $1 million from 1932. Repayments in cash increased by $474,000 to $1,690,000.

Classification of the company's assets as at Dec. 31, 1933, was as follows:

CLASSIFICATION OF ASSETS

	Amount	% of Total	Change from 1932
	$		$
Can. Govt. and Munic. bonds	41,832,797	30.1	5,292,392
Other bonds	14,021,750	10.1	185,191
Mortgages and sale agreements	40,733,919	29.3	1,595,104
Loans to policyholders	29,342,098	21.1	1,195,660
Real estate	3,814,088	2.8	850,336
Cash	1,268,458	.9	269,928
Stocks	1,403,335	1.0	35,000
Other ledger assets	105,517	.1	105,517
Due and deferred premiums	2,826,167	2.0	356,994
Due and accrued interest	3,550,858	2.6	46,767
Amounts due from reassur. cos.	13,520	.0	28,566
	$138,912,507	100.0	$6,714,115

New Unlisted House

J. V. Glionna, formerly a partner in G. C. Williams & Co., announces the formation of a new company to be known as J. V. Glionna & Co. with offices in the Bank of Hamilton Bldg., Toronto.

SUSPEND QUEBEC INSURANCE BILL

Would Have Eliminated Commission Fire Adjuster

A bill to eliminate the professional fire adjuster who works on commission, which was referred by the Quebec Legislature to the Public Bills committee, was strongly opposed in discussion before that body and finally suspended. It was argued that elimination of the adjuster who worked on commission would leave the insured who suffered loss at the mercy of the fire insurance companies.

Hon. R. F. Stockwell, provincial treasurer, sponsored the bill in the Legislature. Objection was taken by Aime Guertin who argued that passage of the bill would mean that companies would employ salaried adjusters who would naturally work for the companies and not think of the interest of the sufferer.

The bill, which would have added a new section to the Quebec Insurance Act, read as follows:

"In the adjustment of all insurance claims, no person acting on behalf of either the insurer or the insured, or the latter's transferee, may make an agreement whereby such person may receive as remuneration a proportion or percentage whatsoever of amount of the indemnity, or a remuneration of such a nature as to give such person any personal interest in the determination of the amount of said indemnity; and every such agreement, express or implied, shall be null."

PRUDENTIAL OF ENG. ANNOUNCES BONUS

Additions to Ordinary Policies Slightly Lower Than in 1933

Prudential Assurance Co. of London has announced its 1933-34 bonus distributions for holders of ordinary policies in Canada. The distribution calls for paid-up additions on participating policies in force on Dec. 31, 1933, as follows:

(1) Whole life, $23 per $1,000

(2) Endowment, $20 per $1,000

These amounts per $1,000 represent additions to the sum assured but they may be used as premium reduction under a sliding scale on an age basis. They compare with $31 and $28 last year.

The annual statement of the company will not be released until the annual meeting in March.

Other People's Views

Insurance Takes Its Bow

Hamilton Spectator.—The economic crisis has been a real test for life insurance companies, which have come through with enhanced credit. Such a remarkable demonstration of stability will undoubtedly lead to more business when conditions permit. Life insurance, as a method of saving and protection, has amply demonstrated its value and those engaged in the business are entitled to take their bow.

It is extremely to be regretted that, owing to the depression, so many have had to borrow on their policies and some to let them go. But what a convenience those borrowing powers have been! Now that the improvement has set in, much of this money will be paid back and the number of lapses will decrease.

Asbestos Exports Gain

Canadian producers shipped 20,463 tons of asbestos in November, as compared with 19,524 tons in October and 11,616 tons in November, 1932.

ONT. EQUITABLE REPORTS GAINS IN '33 BUSINESS

Expenses Cut and Assets Increased Report Shows

An increase of 10.5 per cent in new business issued and revived in 1933 is reported by Ontario Equitable Life and Accident Insurance Co. in its annual report. The total was $3,923,000. Business in force at the end of the year, however, was lower by 6 per cent at $44,000,000. The company also reports a substantial increase in annuity business during the year, 78 contracts having been written guaranteeing annual payments of $67,000. The corresponding figure for 1932 was $12,000.

Premium and total income declined, with average interest earnings reported at 5.44 per cent compared with 5.74 per cent a year ago. Payments to policyholders increased due to higher death, disability and indemnity claims, but contrary to the experience of most companies the company's payments on account of cash surrenders were lower than a year ago. However, by reason of the fact that expenses were reduced to the lowest point in its history, the company was able to show a considerable excess of income over disbursements, the figure in 1933 being $454,555.

$466,000 Invested

Total assets increased during the year there being an increase in policy loans outstanding of $139,500. In 1933 new investments of $466,000 were made in high grade bonds.

Including the loss on sale of investments the company made provision for depreciation in assets of $162,136.76 in 1933, without drawing on investment reserve, which was increased to $175,000. Surplus over capital and all other liabilities combined is $70,472 compared with $61,564 at the end of 1932. Reserve for depreciation of bonds and debentures is $25,000 in excess of government requirements.

Since 1930 the company has written out of assets approximately $588,146 and set up in addition an investment reserve of $175,000, a total of $763,146. Of this total $248,105 came from our surplus and $515,041 from further earnings.

Comparative figures follow:

	1933	1932
	$	$
New ins. issued*	3,923,278	3,551,782
Bus. in force	44,022,817	46,700,028
Prem. income	1,201,975	1,263,508
Net interest earnings	5.44%	5.74%
Policy payments	814,749	774,794
Total assets	8,606,775	8,238,516
Policy reserves	7,592,346	7,209,600
Invest. reserve	175,000	170,000
Free surplus	70,472	61,564

*Includes revivals.

ONTARIO LOAN SHARES EARN $6.30 ASSETS HIGHER

Liquid Assets Are 16 p.c. of Deposit Liabilities

Ontario Loan & Debenture Co., London, Ont., had net profit of $6.30 per share on the $50 par value shares. This compares with profit of $6.68 per share shown for 1932. In The Financial Post of Feb. 3 it was stated in error that the company had a profit of 6.3 per cent. Net profit in 1933 was $252,011, after provision for taxes and all other charges, an operating result that compares favorably with results in previous years. The company has maintained dividends at the rate of $6 per share per year since 1927, when the rate was raised from the $5.50 paid in 1926. Reserve has been maintained at $3,200,000.

During 1933 total assets of the company were increased to $14,167,043 from $13,661,948 shown at the end of 1932. Increase was shown both in deposits, which were up to $1,658,379 from $1,437,251, and in currency debentures which were up to $6,544,634 from $6,276,359. Sterling debentures and accrued interest remained at $573,123.

Liquid Position Stronger

Investment in bonds of the United Kingdom, the Dominion of Canada and the Canadian provinces was increased to $1,671,432 from $722,995; municipal bonds held remain unchanged at $482,508; bonds guaranteed by the Dominion and provincial governments are carried at $325,178, while cash totals $202,988. Liquid assets, including government and municipal bonds and cash amount to 161 per cent of deposit liabilities.

Mortgage investments of the company are carried at $10,644,059 and interest at $316,257. Real estate held for sale is up to $282,654 from $149,639, while agreements for sale are shown at $62,718.

Record of the company for the past six years is as follows:

Earnings Record

Year	Paid-up Capital*	Net Profits†	Div'd Paid	Earned per $50 sh.‡
	$	$	$	$
1928	1,750,000	300,836	6	8.60
1929	1,750,000	304,757	6	8.71
1930	2,000,000	290,558	6	7.76
1931	2,000,000	277,841	6	6.95
1932	2,000,000	267,386	6	6.68
1933	2,000,000	252,011	6	6.30

*Par value of share $50.

†After payment of provincial and municipal taxes, interest, expenses and charges, and after making provision for possible losses and contingencies and income tax.

‡Based on fully paid-up capital in 1931, on average paid-up capital approximately $1,875,000 in 1930 and on capital stock paid-up of $1,750,000 in prior years.

Year	Total Assets	Reserve Funds	Liab. to Public
	$	$	$
1928	11,630,944	2,875,000	6,873,506
1929	11,611,170	3,000,000	6,758,975
1930	12,784,968	3,200,000	7,483,087
1931	13,644,188	3,200,000	8,310,640
1932	13,661,948	3,200,000	8,325,828
1933	14,167,043	3,200,000	8,822,830

Insurance Inklings

J. H. PIGEON has been elected managing-director of the Trans-Canada Insurance Co., replacing P. J. Perrin. Mr. Pigeon is now managing director of the three companies constituting the group, viz, Provident Assurance, British Colonial Fire and Trans-Canada.

A. K. MACDONALD, well-known in London and Hamilton as an insurance adjuster, died on January 30.

FRANK W. SPINK was recently appointed superintendent of the Prudential Insurance Co. of America at Calgary.

Returning Prosperity

In times like this . . .

more than ever, life insurance is a boon to all — to the *Uninsured* as well as the *Insured*.

As its premiums accumulate they are promptly used to assist in purchasing homes, in aiding farmers and financing industry—thus keeping Canadian citizens gainfully employed.

It *insures more than Life*—it helps to provide work for the Breadwinner, and Food, Comfort and Shelter for his family.

The Sun Life is an important factor in restoring prosperity to Canada. For over sixty years it has been privileged to serve its policyholders and proud to serve the State. Today, its world-wide organization and facilities make it more serviceable than ever to the whole community.

Sun Life Assurance Company of Canada
HEAD OFFICE: MONTREAL

Sound Progress
—Maintained in 1933

New Business Issued $1,570,453.00
Insurance in Force 9,111,486.00
Assets 2,203,954.43
Payments to Policyholders 284,452.26
Insurance and Annuity Reserves 1,516,992.00
Special Reserves and Surplus 517,603.25

Copy of
20th
Annual Report
Mailed on Request

Assets are well distributed between Bonds and Debentures, Rural Mortgages and Urban Mortgages, and the Company ended the year in a strong liquid position. It confines its activities to Western Canada and is truly a Western Company for Western people.

Agents Wanted in Unrepresented Territory

THE SASKATCHEWAN LIFE INSURANCE COMPANY

HEAD OFFICE - REGINA, SASK.
M. B. FARR, General Manager
C. M. WILLOUGHBY, President

Yarmouth Bldg. & Loan Earns 6.4 p.c. on Capital

Yarmouth Building & Loan Society earned 6.4 per cent on paid-up capital of $200,183 in 1933 and continued to pay dividends at the rate of six per cent. This profit compares with 7.2 per cent earned in 1932 and 7.9 per cent earned in 1931. Assets total $428,927, of which $412,000 is invested in mortgages; $9,160 represents cash and $8,390 real estate.

Debentures outstanding total $38,850. Repayments are shown at $121,589. Liabilities to shareholders at $200,183 is slightly under the 1932 and 1931 total but reserve remains at $55,000. Record of the society for the past six years is as follows:

Earnings Record

Year	Paid-up Capital	Net Profits	Div. Rate	Rate Earned
	$	$	%	%
1928	191,176	14,167	6	7.4
1929	195,612	16,882	6	8.6
1930	198,864	16,066	6	8.1
1931	206,153	16,363	6	7.9
1932	205,854	14,564	6	7.2
1933	200,183	12,896	6	6.4

Year	Total Assets	Reserve Funds	Mortgages on Real Est.
	$	$	$
1928	268,244	39,000	262,015
1929	286,327	44,000	280,507
1930	297,656	49,000	282,259
1931	425,588	53,000	419,750
1932	309,703	55,000	297,989
1933	428,927	55,000	412,000

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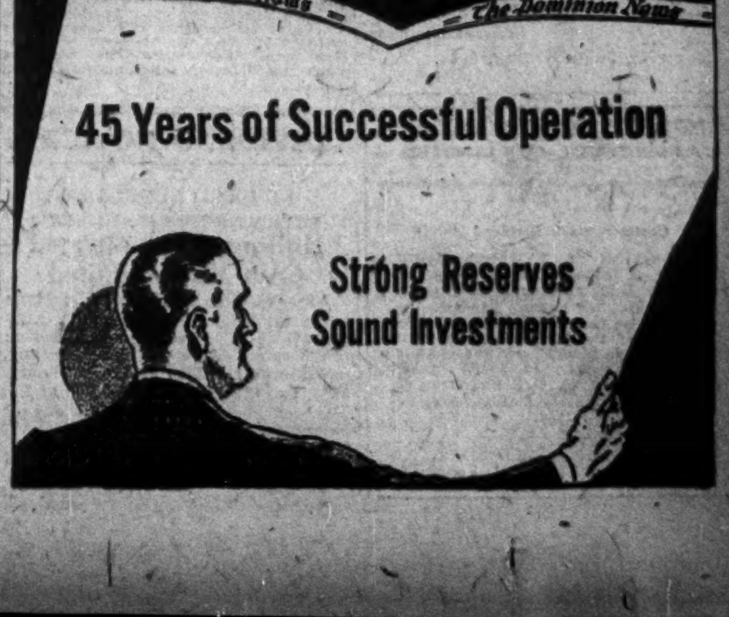

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If manufacturing only to firm orders for another concern would require reputable article and good financial standing of such concern.

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DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND No. 283

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after THURSDAY, the FIRST day of MARCH next, to Shareholders of record at close of business on 31st January, 1934.

By Order of the Board.

W. A. BOG, General Manager
JACKSON DODDS, General Manager

Montreal, 19th January, 1934.

The Canadian Bank of Commerce

Dividend No. 188

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 28th February, 1934, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st March next, to shareholders of record at the close of business on the 31st January, 1934. The Transfer Books will not be closed.

By Order of the Board.

S. H. LOGAN,
General Manager.

Toronto, 19th January, 1934.

Borden's

COMMON STOCK DIVIDEND No. 96

A quarterly dividend of forty cents (40¢) per share has been declared on the outstanding common stock of this Company, payable March 1, 1934, to stockholders of record at the close of business, February 15, 1934. Checks will be mailed.

THE BORDEN COMPANY.
E. L. Noetzel, *Treasurer.*

The Montreal City & District Savings Bank

The Annual General Meeting of the Shareholders of this Bank will be held at its Head Office, 262 St. James St., on Monday, the twelfth day of February next, at twelve o'clock noon, for the reception of the Annual Reports and Statements, the election of Directors and any other business that may be submitted to the meeting.

By order of the Board,

T. TAGGART SMYTH,
General Manager.

Montreal, January 15th, 1934.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Common Stock Dividend No. 18

NOTICE IS HEREBY GIVEN that a Dividend of 15 Cents per share, being at the rate of 60 Cents per share per annum, has been declared on the no par value Common Stock of the McColl-Frontenac Oil Company, Limited, for the quarter ending February 15, 1934, payable March 15, 1934, to Shareholders of record at the close of business on February 15, 1934.

By Order of the Board.

FRED HUNT,
Secretary.

February 1st, 1934.

Wheat

From Our Grain Correspondent

Argentine Crop Poor

ALTHOUGH there are occasional symptoms of increased interest in wheat trading, the course of prices on the market shows remarkable steadiness. The principal bearish factor at present is the size of the Argentine crop, and the existence of doubt as to how it is to be disposed of. The Government control board there are offering wheat abroad at less than they are paying farmers for it, and the wide discount under the price of Canadian wheat is giving the Argentine some business at the expense of Canada.

But Liverpool is expressing disappointment at the poor quality of new crop shipments which have been received, which is contrary to expectations, as the new crop was thought likely to be better than that of last year. The quantity of such wheat that can be used in Great Britain, along with the large quantities of English grown wheat is limited, while continental countries, with restrictions prevailing upon imports are showing a very limited interest.

* * *

Canadian Sales Increase

A FAIR demand for Canadian wheat continues, on account of its high quality, and North American shipments as a result are standing up fairly well, with a total last week of over 5,000,000 bushels, out of world total shipments of 12,500,000 bushels. Although this is considerably more than world shipments of a few weeks ago, increased consumption in importing countries is not indicated, the additional quantities going rather to build up supplies afloat from the very low levels to which they were recently reduced. These increased last week by 4,000,000 bushels to a total of 37,784,000 bushels, but this is still less than last year's supplies in the same position by nearly 10,000,000 bushels.

* * *

New Crop Prospects

INCREASED attention is being paid to the poor prospects for wheat in the United States. It is considered probable that the United States will produce somewhat more wheat than in 1933, but that total production will still be less than normal domestic requirements, so no pressure from that country on importing markets is anticipated. Visible supplies of wheat in the United States are now more than 40,000,000 bushels less than at this time last year, and doubt is increasing as to the actual existence of such large supplies as the official carry-over figures for the country showed.

Prospects for a decidedly smaller Europe production of wheat than last year would tend to make the picture of the wheat situation much different from that of a short time ago, but apparently a further reduction of current stocks is required before European buyers will show much interest in futures. In addition prevailing belief that United States prices have perhaps a greater chance of advancing than those in other countries creates a tendency for hedges against future requirements to be placed in Chicago.

* * *

Bear Reports From London

SOME private market reports suggest that market action may be better when the international wheat committee sessions are concluded for a time, as some of the reports issued by that body have been used to the advantage of bear traders abroad.

A peculiar feature of the current situation is shipment of several cargoes of Russian wheat reported to China. There is some doubt as to whether these are designed for the Chinese trade, and they may represent supplies for far eastern Russian areas, shipped more conveniently by water than by the trans-Siberian railroad.

* * *

Prices at Liverpool

THE decline in sterling makes the price of foreign wheat C. I. F. England, much lower when converted to United States currency, while in reality the prices have declined only slightly. Adding the import duty to the foreign sorts, Russian wheat is 62⅝ cents, Plate 65 cents, Australian 69½, and No. 2 Manitobas 80 cents. The full force of the new Southern Hemisphere crop is now being felt and is rather a depressing factor at Liverpool. July at Liverpool made a new low yesterday of 58 cents, but March and May are still four to five cents over the low point.

Russia and Balkan countries have exported nearly half of their estimated exportable surplus in the first half of the season. Canada has shipped out about one-third of the estimated surplus. This country still has large supplies to sell abroad. Although all crops in Russia were much larger this past year, offerings are not abundant and large shipments are not anticipated, even after the spring thaw sets in, which usually occurs about the middle of March.

Meetings Reported

BE QUOTED correctly! At every gathering where it is desirable to record accurately all that has been said, let Stenotype Service take the responsibility. Mechanical shorthand is employed to ensure speedy, trustworthy verbatim reports. Conventions, club gatherings, boards of directors, political associations, etc., etc., can employ this service at all meetings with assurance of satisfaction. Fees are moderate. For further information write The Stenotype Reporting Bureau, 481 University Ave., Toronto.

DIVIDEND NOTICES

DIVIDEND NUMBER 250
EXTRA DIVIDEND NUMBER 9

Hollinger Consolidated Gold Mines Limited

A regular dividend of 1%, and an extra dividend of like amount, making 2% in all, have been declared on the Capital Stock of the Company, payable on the 26th day of February, 1934, to shareholders of record at the close of business on the 9th day of February, 1934.

Dated the 2nd day of February, 1934.

I. McIVOR,
Assistant-Treasurer.

Grain and Milling in Canada

BENNETT SAYS CANADA TOOK WRONG ROAD

Prime Minister Supports Wheat Agreement as Vital for West

KING OPPOSED

Urges Expansion of Foreign Marts for Canadian Wheat as Against Restriction

By Staff Editor

OTTAWA.—Canada's two chief political chieftains took their stand in respect of wheat last week when Prime Minister Bennett and Opposition Leader Mackenzie King made stout affirmation of their respective viewpoints on the International Wheat Agreement and the wheat situation generally.

Close observers of the situation here believe Mr. Bennett's speech to be of very considerable significance. First, because he stated in no uncertain terms that in his opinion Canada had been following the wrong road in respect of her wheat production. Secondly, because of the very considerable courage necessary to make such a speech at the present time—a speech which, it is thought, cannot help but be unpopular politically among the wheat farmers of Western Canada.

Country Greatly Misled

A few of the striking phases used by the Prime Minister, follow:

"This country has unfortunately been greatly misled with regard to wheat."

"Immediately after the war we believed that we would have in a time of peace a war-time market and that we should be able to maintain the sales of our wheat abroad on the same basis as during the war. It was an unfounded assumption."

"We were all mistaken. They—the government of the day (1930)—and the farmer believed that all you had to do was to grow more wheat and you would find a ready market of it. Indeed, Canadians have always been taught this. They thought it was so but alas it was not."

Ottawa Acted for Provinces

Mr. Bennett's remarks in respect of wheat were made in support of the stand taken by him at the wheat conference held in London in the summer of 1933. He indicated that in respect of this agreement the Federal Government had only acted at the request of the provinces since the matter was "largely one within the jurisdiction of the provinces." He also stated that although the agreement had not been ratified by any parliament in Canada, it had been executed by those in executive authority and was now in force as far as Canada was concerned. Whether or not it would require approval of parliament was still a matter of doubt. "I am rather advised that it does not," said Mr. Bennett. He intimated that it was still uncertain whether the agreement would be submitted to parliament but stated that an opportunity for discussion would be afforded when estimates were under discussion. He said further.

"We have ventured into the field because the provinces concerned as units of this confederation have asked our assistance and while personally I have always felt that these are matters which must be considered and dealt with as part of a broad world plan, it is quite apparent that in dealing with questions of wheat there are only four exporting countries and if the importing countries are going to take the position they have taken I believe it is the duty of the Dominion to lend any assistance it can.

"So far as that is concerned, we will be very happy indeed to afford any further information which may be necessary, as it is not clear that it is essential that the agreement should be submitted to parliament for ratification involving as it does the jurisdiction of the provinces and, to a more limited extent, that of the Dominion."

No Action Yet

That no steps would be taken by Canada at present to implement the agreement was intimated by the Prime Minister. This for the reason that the provinces had expressed their view that "the effect of the grasshopper plague and the drought will be such as to automatically bring about a reduction in acreage which will be somewhat less than that provided for by agreements."

King Opposes Pact

For his part Rt. Hon. Mackenzie King clearly indicated that he had no brief for the agreement and affirmed that the "most effective way to help agriculture in this country would be to use the tariff as an instrument of national policy, but to use it to serve the interests of agriculturists as well as those of manufacturers." He indicated that his approach to the subject would be to endeavor to expand Canada's trade agreements with foreign countries so as to expand our market for wheat rather than contract it with an agreement involving lower trade and reduced production. He said:

"Should not an effort be made, no matter what it might involve by way of endeavor, to search for markets in all parts of the world and so to shape our policies that other nations, instead of trying to exclude our commodities, would be persuaded to trade with us and make exchange possible?"

Mr. King also took issue with the agreement in that it would involve either "confiscation" or "compensation" if it were to be implemented by Canada.

"Is the administration going to levy a tax in some direction and give the proceeds to the farmers of Western Canada or of other parts of the country whose production areas are being reduced? Are they going to compensate the farmers out of such a tax, or are they going to compensate them at all? If they do not compensate them, then they are confiscating: it is either compensation or confiscation. Confiscation of the products of a man's labor is the last word that should be suggested to those who are struggling with conditions as they are in this country today."

Progressive support to the wheat pact was indicated on February 7 when Donald M. Kennedy, of Peace River, approved the Bennett stand on the agreement. This is interpreted to indicate that many of the third group in Parliament will support the Government if a vote is taken.

McFarland Confirmed in Overproduction Viewpoint

Convinced That Canada Must Use International Agreement to Escape Ills of World Wheat Overproduction

That Canada must work along the lines of international agreement in respect of wheat marketing, "to spread the reduction and soften the blow" that must come as a result of the tremendous over-production of wheat that afflicts the world at the present time, is the considered view of John I. McFarland, general manager of the Canadian Co-operative Wheat Producers Ltd. of Winnipeg.

For the past three years Mr. McFarland has been the dominant figure in the grain trade of the Dominion by virtue of his responsibilities in connection with the wheat pool guarantees and the subsequent decision of the federal cabinet to lend support to the market to prevent a complete collapse of wheat prices in this country. As Prime Minister Bennett remarked in the House of Commons last week:

"Most hon. members know that but for the intervention of the Government the wheat situation would be an intolerable one. They have from time to time asked for a wheat board but they have had practically a wheat board for two years."

Bennett in Agreement

From time to time Mr. McFarland has expressed his views in The Financial Post, and recently The Post requested him to again set forward his opinion as he enters the fourth year of his stewardship at Winnipeg. His position is set forward in the following letter which is of added interest in view of the public declaration in the House of Commons last week by Rt. Hon. R. B. Bennett, that Canada must change her tactics in respect of wheat production and that we can no longer deceive ourselves into believing that we can continue to produce and market wheat on the same scale as has characterized our operations in the past five years. It is significant that Mr. McFarland continues to hold this view in spite of everything that has happened in the past twelve months.

Mr. McFarland's statement to The Post is as follows:

"I regret to say there are citizens in this Dominion who still persist in stating there is no over-production of wheat, and this in spite of the physical evidences of overproduction during the past five years.

Average Carry-over Doubled

"The official world's carry-overs in the five years 1922 to 1926 inclusive, averaged 301 million bushels per year, whereas during the immediate past five years they have averaged 640 millions per year. Please observe these large carry-overs have persisted in spite of world prices having continued at the lowest levels on record, and also in spite of unusually heavy feeding to animals in various countries, notably in the United States, where it is officially estimated upwards of 300 millions more than normal were fed to animals in the past three years. (Probably the destruction of over five million pigs in that country may explain the futility of overproduction of animal feed, also the slaughtering of 107,000 head of cattle in Denmark to be used for fertilizer.)

"In spite of the great quantities, above normal, used for animal food, because of its superabundance, yet, burdensome carry-overs continue at the rate of 340 millions of bushels above normal. In the face of such evidence, why do many people continue to disclaim overproduction, and claim maldistribution or under-consumption? Of course, such people do not give any information as to 'where?'

"Let us examine this contention. Long before our Canadian west became an exporter of wheat, the surplus producing countries found the market for 85 per cent of their export surpluses in Europe. The Continent of Europe, including the British Isles and Russia, was the great importer of surplus foodstuffs from other continents. That continent, before the war, was the great producer of all cereals, except rice and corn. There was produced on that continent, about 70 per cent of the total world's wheat and rye (exclusive of China), and in addition they imported and consumed upwards of 80 per cent of all surplus production from other continents. They also produced 65 per cent of the world's oats and barley, and imported practically all the export surplus of such grains from other continents. That was the Europe which was plunged into the most destructive war in all history. It was to be expected, and it is a matter of record, that their own agricultural activities were greatly depleted during the war, and it is also a matter of record that the production of all kinds of foodstuffs on that continent, did not again reach normal proportions until about 1926 or 1927.

"During the interval from 1914 until 1927, Canada and other countries found an expanding market for various commodities, including wheat. The slogan, 'Help Win the War,' plus attractive prices, resulted in a great increase in acreage of wheat in overseas countries. It is a matter of record that the net imports of wheat by the Continent of Europe, just prior to the war, were 340 million bushels of wheat. It is also a fact that Broomhall's statistics show the wheat production on that continent in 1913 was 2,160 million bushels, and in 1920 it was down to 1,260 millions, or a drop of 40 per cent. It is also a matter of record that the net imports of wheat by that continent increased from 340 millions in 1913-14 up to 600, and as high as 700 millions during the post-war period, whereas this cereal season they will only amount to about 325 millions. In other words, the net requirements of Europe are now actually less than pre-war. We, and other countries, greatly expanded our wheat acreage and production to cater to what we now know was a purely temporary market, and some economic advisers are so foolish as to suggest that we should not reduce.

"From 1913 until 1932, the Argentine, Australia, Canada and the United States, increased their seeded acreage by 39 million acres, or nearly 45 per cent, and on a basis of long term average yields, these 39 millions of acres will produce about 550 million bushels of wheat. For whom?

"Someone says there is 'underconsumption' in Europe. The answer is that Europe (exclusive of Russia) in the five-year period 1923-24 to 1927-28 inclusive, consumed an average of over 100 million bushels less wheat per year than they have consumed or are trying to consume in the five-year period 1929-30 to 1933-34. Or, in other words, Europe, during the last five years has consumed 100 million bushels more wheat per year than they were consuming in our years of prosperity prior to the depression. It is regrettable that Europe in recent years is consuming more wheat and yet importing less, but commencing in 1928, and up until 1930, they have been encouraging home-production by high tariffs, thus creating high values for home-production and resulting in increased yields owing to the use of fertilizers.

"The world wheat crop (exclusive of Russia and China), in the period 1921 to 1926 inclusive, averaged 3,222 million bushels per year, whereas in the period 1927 to 1932 inclusive, it averaged 3,629 million bushels per year, or an increase per annum during the last six years of 407,000,000 bushels per year. It is agreed that supply and demand was in equilibrium up until 1926, and it was not until 1927 when increasing carry-overs began to accumulate. It is significant that there was no disturbance in the equilibrium until 1927, and since that time, with an increased production of 407 millions per year, there began increasing carry-overs, and that in spite of vast quantities above normal fed to animals, and the lowest market prices in all history. Surely any reasonable person would conclude that these extra 407 million bushels have resulted in overproduction.

"The most recent slap in the face given to surplus wheat producing countries, was given by the Chinese Government in December when they decided to impose a tariff of nine cents per bushel against foreign wheat importations, in order to afford some protection to the Chinese farmers against cheap wheat, and, therefore, cheap labor in other countries. No doubt you have observed in recent years, various writers have given us advice to the effect that if our wheat was cheap enough the Chinese would take all we could produce. In the meantime, wheat was down to 20 cents per bushel at country stations in Alberta a year ago, and there was no rush by China to buy more than usual, and now they have placed a tariff, it can only be construed as indicating that the advice above referred to was purely visionary and impracticable.

"There are some who attribute the debacle in wheat prices to the depression which commenced in the fall of 1929. I, however, hold the opposite view and it is my opinion that a major cause of the depression was the over-production of wheat and other commodities.

"Canada and the United States in 1933 produced less than nine bushels per acre on a seeded acreage of approximately 90 million acres, as against their long term average yield of nearly 14 bushels per acre, or, in other words, they produced about 450 million bushels less than an average crop on that acreage. Yet, notwithstanding this major crop disaster, these two countries are still struggling with more wheat than importing countries require. Now, I ask: 'What would have been our position on this continent had we produced even an average crop on that acreage?'

"Canada had an average yield per acre of 23½ bushels in 1928. If we maintain our present acreage of approximately 26 million acres, and should we happen to get a 1928 yield, this country would produce 610 million bushels, from which, if we deduct our home-requirements, would leave 490 million bushels for export, and when you compare that total with the London Conference estimated requirements of only 560 million bushels, it certainly gives some cause for serious thought.

"I am free to admit a 15 per cent reduction in acreage, in the event of a bumper crop, would not ensure us against a heavy overproduction in any single year, but at the same time we know we would have 15 per cent less than would otherwise have happened had we not reduced.

"There are men of influence not only in Eastern Canada but also in Western Canada, who are against reduction of production. I can readily understand that the wheat industry of the West has been such a large contributing factor to the development and the prosperity of this whole Dominion, and in the final analysis, probably of greater benefit to Eastern Canada, and for that reason I can realize there are people who resist any suggestion of reducing the production of the commodity which, over a long period of years, has loomed so large and constituted such a large percentage of the total exports of this Dominion. However, be that as it may, surely we should take a sane view and investigate and decide the problem, without prejudice, and with a view to adjusting that industry to the changed world condtions.

"Prior to the war, this country secured about 14 per cent of the world's international trade in wheat, and exported around 90 million bushels per year. The war intervened and that great producing and consuming Continent of Europe put its energies into destruction and obviously neglected production of foodstuffs. The rest of the world was called upon to increase food production, and Canada did—others did likewise. After the war was over, and for some years thereafter, with trade channels reopened, the demand increased, for the simple reason it required some years until Europe regained her normal production of various foodstuffs.

"About 1926-27 Europe reached prewar production. The rest of the world continued to expand, and so did Europe, and we continued expanding right up to 1932, in spite of the fact that all the evidence indicated that Europe was back to normal, and above normal, and did not require our increasing production. We, and others, bridged the gap caused by the war and post-war period. The gap was filled by Europe herself, in fact, filled to overflowing. There is no bridge and no gap now, but we are conducting our affairs as if the war were still going on, and as if Europe still required our extra assistance. The fact is, we and other exporting countries expanded to take care of a temporary situation which began in 1914 and ended about 1926-27. If any one of some of the overseas countries, through a battle of 'the survival of the fittest,' should be economically defeated, and thus had to bear the full effect of the necessary reduction, and if that country happened to be Canada, I fear it would be an economic disaster to us for some years to come. For that reason I am an advocate of working along the lines of international agreement to reduce so as to spread the reduction and soften the blow."

RURAL CREDIT STILL REMAINS BIG CONUNDRUM

Ottawa Has No Solution as Yet to Vexed Problem

STUDY UNDER WAY

By Staff Editor

OTTAWA.—No plans for solution to Canada's problem of intermediate credit for agriculture have been evolved here as yet, according to reliable information given The Financial Post this week.

Ever since the Macmillan Royal Commission passed back its recommendation that an intermediate credit scheme be established, various government experts and officials have been active trying to find some way of solving this problem. There have been many expressions of regret that the Macmillan Commission "passed the buck" in respect of this all important matter in that while urging that "the need is a real one" for some type of intermediary credit scheme, they offered no practical solution except to indicate that perhaps the present machinery of the Canadian Farm Loan Board might be "extended to enable it to make short or intermediate loans."

Legislation in Doubt

Just how far the present government is committed in respect of intermediate credit is not quite clear. The speech from the throne indicated definitely that legislation would be recommended if at all possible, but whether a solution will be found during the present session of parliament is at the present somewhat problematical.

Politically, of course, there is no doubt that the government is anxious to introduce some type of legislation along these lines as an indication of its willingness to help the farmer in his present difficult plight. From a strictly financial or economical point of view, however, there is much to be said for the viewpoint that there has been too much rather than too little credit, particularly in prosperous times and it is believed that the government will move very cautiously before presenting its solution to this very vexed problem.

In this connection, Prime Minister R. B. Bennett said in the House of Commons last week:

"The matter has engaged the attention of the officers of the Department of Finance. The best minds they have been able to secure to assist them have been made available, and provincial officers have discussed the matter with the federal authorities. I can say only this, however, that while I do not feel too sanguine that an adequate solution will be found, I believe that some solution will be found which will be beneficial to the rural population. That is all which I believe can usefully be said in that connection."

Two Main Recommendations

The specific recommendations of the Macmillan Commission in respect of rural credit were two-fold, namely:

1. The importance of extending short term credit facilities as now available to some degree in Ontario, Manitoba, Alberta, Quebec and through the Dominion Agricultural Credit Co.

2. The imperative need of some special credit facilities other than those available, to provide Canadian farmers, particularly in the West, with sufficient capital to see them safely through and out of the present depression.

Total mortgage indebtedness of Canadian farms (exclusive of mortgages on rented farms) was found to be $671,776,000 with only a small proportion of this total owing to rural credit organizations. Even provinces (and the federal loan board) hold but 10 per cent ($69,482,000) of total long-term indebtedness. In recent years credit from this source was found to be "restricted owing to the difficulty of obtaining funds at a sufficiently low rate of interest and also because of the danger of embarrassment to the provinces by duly increasing their indebtedness."

Long term credit plans were found to operate in Ontario (20-year plan at 5½ per cent interest) and Saskatchewan (30-year plan at 6½ per cent). The former province has $45,000,000 and the latter $15,000,000 of loans outstanding. In six other provinces, namely Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia and Quebec, the Canadian Farm Loan Board operates. It began operations in 1929, makes loans at 6½ per cent interest with 7 per cent on arrears. Repayment basis is either 23 or 32 years. As at Mar. 31, 1933, it had outstanding $9,482,000 of loans. It is this agency which the Commission suggests as suitable for extension to the field of short and intermediate credits.

Winnipeg Grain Prices

Week to February 6, 1934

Crop year from Aug. 1, 1933 High	Low		Open Jan. 31	High for week	Low for week	Close Feb. 6
		Wheat				
.95	.59¼	May	.69¼	.70⅜	.69	.69⅝
.71½	.62¼	July	.70⅝	.71½	.70⅛	.70⅝
		Oats				
.48½	.29½	May	.37¼	.37½	.36½	.36¾
.38⅝	.32⅛	July	.37⅛	.38	.37	.37⅛
		Barley				
.59¾	.32½	May	.42½	.43⅝	.42⅛	.42⅞
.44⅝	.36¼	July	.43½	.44⅝	.43	.44
		Flax				
1.71½	1.15	May	1.55½	1.56½	1.52	1.54¼
1.58	1.39½	July	1.54¾	1.56	1.52½	1.53
		Rye				
.68½	.39⅛	May	.50¾	.51½	.50¼	.50⅛
.53¼	.43⅜	July	.51½	.52⅜	.51¼	.51⅜

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10-CENT DIVIDEND ON NICKEL COMMON IS HALF EARNINGS

Output Continues Far Above 1932 Levels — Expected to Continue

First dividend declaration since 1931 of directors of International Nickel Co. is 10 cents a share on the common stock, payable March 31 to stock of record March 1. The last dividend was 5 cents a share paid in December, 1931.

Some such payment has been long foreseen by the stock market. It was evident that the 74,319,198 pounds of nickel produced in the first 11 months of 1933 as compared with 30,327,968 pounds for all of 1932 must be mainly inhering to the advantage of International Nickel Co. as Falconbridge operations are comparatively small. After April the output went sharply up month by month and since July has remained above 10,000,000 pounds on an increasing scale but below 11,000,000 pounds to December. These latter months have been at a greater rate than any four months period in the last five years. November's total of 10,826,957 pounds was the largest monthly total since December, 1929.

Exports of nickel in ore, matte or speiss from Canada in November amounted to 3,968,000 pounds and in October to 5,212,600 pounds. Fine nickel exports in November were 4,281,000 pounds and in October 4,453,000 pounds. Nickel oxide exports were up 28.5 per cent, being 601,500 pounds in November and 468,200 pounds in October.

The 10 cent dividend seems conservative in view of the fact that the company earned 10 cents a share in the second quarter of the year and 22½ cents a quarter in the third quarter.

The company apparently expects output to go on increasing over the long trend as it has placed orders for the installation of four converters in the smelter at Copper Cliff.

PRESIDENT HURST STILL OPTIMISTIC CENT. MANITOBA

Says Exploration Programme at Depth is Constructive and Hopeful

The Financial Post is in receipt of the following telegram from W. Hurst, president and managing director Central Manitoba Mines, commenting on an article published in the issue of February 3:

"This company (Central Manitoba) is conducting a constructive exploration programme at depth which it is hoped will produce better results than any development in its history. Your article conveys wrong impression as future of this property is far from pessimistic."

The telegram of Mr. Hurst evidently refers to a sentence in the first paragraph of an article written by a staff editor from Manitoba and the headline based on this sentence quoting Mr. Hurst as saying "that a shut-down at the property was inevitable unless ore is found or money provided to conduct an extensive development programme."

In the next paragraph The Financial Post article of February 3 added, "this does not mean that possibilities of the property have been exhausted or that the last vestige of hope has vanished."

The paragraph went on to refer to "certain geological theories formulated," adding that if these proved correct the property might have "a yet more important lease of life than it has had through the past seven years of its productive history." This is right in the spirit of Mr. Hurst's telegram and it is plain that if his expectations are realized either the shut-down spoken of will be averted or the development will make it anything but impossible to secure funds. In the meantime, it does seem a critical period in the history of the mine.

ASHLEY TONNAGE UP IN LAST QUARTER

Recovery Was $8.40 Per Ton — Underground Work Proceeds

Tonnage of Ashley Gold Mining Corp. Ltd., increased to 10,807 tons in the quarter ended December 31, 1933, as compared with 10,149 in the previous quarter. The proportion of mill feed from development faces and surface dumps was 16.6 per cent as compared with 25 per cent in the previous quarter.

The average grade of mill ore was .4096 ounces of gold per ton. Shipments of gold bullion for the quarter totalled 4391.36 fine ounces, which with premium added (December premium estimated) realized $137,892 in Canadian funds. The latter figure includes a small return from silver in bullion. Mill recovery was maintained at approximately 98 per cent with tailings assay of 20 cents.

Comparative quarterly figures for production are as follows:

1933 Quarter ended	*Bullion recovery	Tons milled	Rec. per ton	Tons daily
Dec. 31	$90,777	10,807	$8.40	117
Sept. 30	93,199	10,149	9.00	113
June 30	84,196	9,057	9.30	100
March 30	84,114	7,961	10.57	88

*Exclusive of exchange compensation.

The report states as follows:

"The total development footage completed underground during the quarter was 1,338 feet, consisting of 865 feet drifting, 303 feet crosscutting and 170 feet of raising. Of the 865 feet of drifting, 211 feet of advance was on the 2nd level, 296 feet on the 3rd, 74 feet on the 4th and 284 feet on the 5th. Of the total footage, 38 per cent was in ore of mill grade.

"As underground work proceeds, the complicated fault system is being determined. Already two faults, A and B, have been proven to displace the Ashley vein, with the possibility that a third, further to the west, will again displace it. Diamond drilling at present in progress will shortly determine this question and will also indicate vein conditions west of B fault and at lower horizons on the dip of the vein.

"In spite of increased mill tonnage in recent months the tonnage of ore, developed and indicated, remains at a figure considerably above that extracted to date. The grade of this developed ore is somewhat lower than the average so far treated, but nevertheless permits of a good margin of profit."

Shares of Ashley Gold Mining Corp. Ltd. are now listed on the London Stock Exchange, England.

Admitted to Partnership

R. J. BRECKENRIDGE H. C. McDONALD

Who have been associated with the firm of N. C. Urquhart, members Toronto Stock Exchange, for many years, and have now become partners.

Much Wheat at Rotterdam

The quantity of wheat in storage in Rotterdam harbor remains abnormally large, reports the Canadian Trade Commissioner to the Netherlands, and approximates the volume of two years ago when there was a heavy movement of Russian wheat.

MONARCH KNIT COMMON EARNS $1.35 PER SHARE

Preferred Dividend Covered for First Time Since 1929

For the first time since 1929, Monarch Knitting Co. shows net profit sufficient to cover preferred dividend requirements and have a surplus available for common shares. Operating profit in 1933 was $114,860 as against $47,165 in 1932 and after usual provision for depreciation and taxes the company earned $9.31 per share on the 7,500 shares of 7 per cent preferred stock outstanding. This compares with $1.62 per share in 1932. After provision for preferred dividends for the year there remained $1.35 per share on the 12,750 shares of common stock outstanding. Preferred dividends were passed in 1930 and have only been resumed with the declaration of a payment of $3 to be made on February 20.

While earnings were down from 1930 to 1932, inclusive, the company has shown a loss only in 1930 and surplus has been steadily increased since that year. Income and surplus account for the past two years is as follows:

INCOME AND SURPLUS ACCOUNT
YEARS ENDED DECEMBER 31

	1933 $	1932 $
Profits	114,860	47,165
Less: Res. for deprec.	35,000	35,000
Res. for income tax	10,086	......
Net profit	69,774	12,165
Add: Previous surplus	526,361	514,196
Less tax adjust.	1,887	......
Bal. carried forward	594,248	526,361

Working capital is further strengthened largely due to reduction of bank loans to $143,401 from $267,325. Cash is up to $57,532 from $53,084: accounts receivable are up to $313,577 from $279,214 while inventories are down to $687,698 from $723,886. Accounts payable show some increase at $82,300 while sundry loans and employees' deposits amount to $69,734. Working capital position is as follows:

Working Capital

	1933 $	1932 $
Current assets	1,058,807	1,056,134
Current liabilities	305,522	389,761
Working capital	753,285	666,373
Ratio	3.46—1	2.71—1

Fixed assets are carried at $842,650 after deducting depreciation reserve of $942,150. Goodwill, contracts, etc., remain at $995,905.

Mining Stock Quotations

Week Ending February 5.

Par Val.	Range 1934 High	Low	Company	Sales	Close Jan. 29 (or last)	High for week	Low for week	Close Feb. 5
1	.02½	.01	Aconda	1,000	.02	.02	.02	.02
No	.17	.13	Aldermac	2,000	.14½	.15½	.13	.15½
1	.09½	.02¾	Alexandria	321,900	.07½	.08	.05½	.07½
No	.03¾	.01½	Algoma	139,800	.02½	.03½	.02	.03
1	.01	.00½	Algonquin	24,500	.00½	.01	.00½	.00½
1	.02½	.01½	Amity C.	53,000	.02½	.02½	.02½	.02½
No	2.65	2.00	Anglo-Huronian	1,394	2.55	2.65	2.50	2.50
1	*.01	.00½	Apex	......	.00½	.....	.....	.....
1	.04½	.03	Area	13,400	.04	.04½	.03½	.03½
No	.06½	.03½	Arno	25,130	.04½	.05½	.04½	.05
1	1.01	.95	Ashley	240	.98	1.00	.95	.98
1	.08	.04	Bagamac	40,700	.07	.07½	.06½	.07
1	.01½	.00½	Baldwin	3,500	.01½	.01	.01	.01
1	.17½	.12½	Barry Hollinger	117,275	.13½	.17	.13½	.16½
1	1.80	1.48	Base Metals	17,660	1.78	1.80	1.75	1.79
5	.91	.45	B. E. A. R.	191,275	.50½	.53	.45	.52
1	.38½	.32½	Big Missouri	27,236	.37	.37	.35	.36½
1	.28	.22	Bobjo	45,600	.26½	.27	.25	.26
No	11.90	9.00	Bralorne	3,102	11.25	11.90	10.90	11.75
	.90	.84	Do., Rights	1,600	.84	.90	.80	.85
1	.15	.12	Brett Trethewey	8,400	.12½	.14	.12	.13
50c	.80	.28½	Bridge River Ex.	54,850	.59	.80	.59	.78½
1	.02½	.01½	Brownlee	34,900	.02½	.02½	.02½	.02½
1	.01½	.00½	Buckingham	8,500	.01½	.01½	.01	.01½
No	.08	.06½	Buffalo Can.	19,100	.07	.07	.06½	.06½
5	30.75	23.50	Bulolo	2,710	27.50	29.50	27.25	29.25
No	.02½	.01½	Bunker Hill	57,000	.02½	.02½	.02	.02½
5s	1.10	1.10	B'Wana McKubwa	160	.72	1.10	1.10	1.10
No	.02½	.02½	Canam Metals	......	.02½	.....	.....	.....
1	.10	.07½	Can. Kirkland	38,100	.08½	.08½	.07½	.08½
No	.58	.38	Can. Malartic	29,150	.42	.45	.40	.45
1	.01½	.00½	Capital Rouyn	36,000	.01	.01	.00½	.01
1	2.85	2.25	Cariboo Gold	1,725	2.40	2.65	2.45	2.65
1	.03½	.01	Cartier Malartic	194,500	.02½	.03½	.02	.03½
1	.63	.49	Castle Trethewey	20,700	.53	.53	.49	.50
1	.14½	.08½	Cen. Manitoba	117,312	.11½	.11½	.08½	.08½
1	.61	.54	Cen. Patricia	52,675	.54	.60	.54	.59½
No	.07	.05½	Chibougamau Pros.	161,800	.06½	.07	.06½	.07
No	.15½	.09	Church. M. & Mill.	83,959	.15½	.15½	.11	.15
No	.02½	.01½	Clericy	29,300	.02½	.02½	.02	.02½
1	.01½	.01	Clifton Cons.	26,000	.01½	.01½	.01½	.01½
5	5.40	4.00	Coast Copper	1,885	4.50	5.40	4.25	5.40
1	.05½	.04½	Cobalt Contact	84,500	.04½	.05	.04½	.04½
1	.67	.55½	Columario	82,800	.65	.67	.64½	.67
5	1.75	1.35	Coniagas	700	1.50	1.65	1.55	1.65
No	1.55	.97	Coniaurum	10,450	1.30	1.45	1.25	1.35
25	137.50	132.00	Cons. Smelters	2,336	136.00	136.50	133.00	135.25
No	36.00	32.25	Dome Mines	7,497	34.00	35.00	32.50	34.95
No	.06½	.05	Dom. Explorers	24,700	.05½	.05½	.05	.05
1	.01½	.00½	Dominion Kirk.	11,000	.01½	.01½	.01	.01½
1	.01½	.00½	Don Rouyn	49,800	.01	.01½	.01	.01
1	.02	.01½	Duparquet	2,500	.02	.02	.01½	.01½
1	3.95	3.25	Eldorado	46,280	3.67	3.70	3.25	3.36
No	3.30	3.00	Falconbridge	8,456	3.19	3.25	3.00	3.20
1	.02½	.01½	Federal	38,400	.03½	.03½	.02½	.03½
No	.04	.02½	Gilbec	101,600	.03½	.03½	.03½	.03½
No	.84	.72	God's Lake	15,050	.75	.76	.72	.73
1	.14½	.08	Goldale	19,000	.12	.11½	.10½	.11½
10	.28	.16	Goldfield	23,300	.25	.28	.25	.26
1	.17½	.11½	Goodfish	47,400	.13	.17	.13	.15
1	.06	.02½	Graham	44,700	.04½	.05	.03½	.05
1	.71	.62	Granada	47,470	.65	.71	.62	.70½
1	.07	.05	Grozelle	2,500	.05½	.06	.05½	.05½
1	.38½	.36	Grull Wihksne	1,200	.38½	.38	.36	.36
1	.36	.30	Halcrow Swayze	15,500	.35	.36	.34½	.35½
1	.05½	.03½	Harker	58,000	.04½	.05	.04½	.04½
1	.01½	.00½	Hilltop	28,500	.00½	.00½	.00½	.00½
5	13.50	11.40	Hollinger	39,673	12.20	13.50	12.10	13.50
1	1.09	.93	Howey Gold	110,780	1.00	1.07	.93	1.03
No	10.50	9.00	Hudson Bay	3,531	9.40	10.50	9.35	10.50
No	*.55	.25	Huronian	......	.40	.....	.....	.....
1	14.25	10.45	Inter. Mining	4,382	13.50	14.25	13.00	14.00
	5.15	4.00	Do., Pur. Warr.	400	4.80	5.15	5.00	5.15
No	23.70	21.15	Int. Nickel	49,181	23.25	23.70	23.00	23.60
1	.06½	.02½	Jackson Manion	277,200	.05½	.06½	.05	.06½
1	*.70	.20	Keeley	......	.50	.....	.....	.....
1	.01½	.00½	Keora Mines	4,000	.01½	.01½	.01½	.01½
1	.56	.50	Kirk. Hud. Bay	2,100	.55	.54	.50	.54
1	.02	.00½	Kirk. Hunton	29,500	.01½	.01½	.01½	.01½
1	.35	.25	Kirkland Lake	26,625	.30	.31	.29	.30½
1	.03½	.01½	Kirkland Premier	41,500	.03½	.03½	.03½	.03½
1	.30	.21	Kirk. Townsite	30,300	.22	.30	.22	.28
20c	.01½	.01½	Koot. Florence	19,500	.01½	.01½	.01½	.01½
1	.20	.11	Lakeland	13,300	.14½	.16	.13	.14
No	.11½	.07	Lake Maron	213,350	.08½	.11½	.08½	.11
1	47.00	42.00	Lake Shore	13,844	43.75	45.00	42.70	44.00
1	.17	.08	Lebel Oro	145,075	.14½	.17	.14	.14½
No	.16	.12	Lee Gold	51,300	.14½	.16	.14	.15
1	2.32	1.85	Macassa	45,832	2.21	2.25	2.12	2.19
1	.02½	.01½	Malrobic	36,500	.02	.02	.01½	.02
No	.09½	.06	Mandy	1,800	.09	.09	.08	.09
No	.04	.02	Manitoba Basin	68,100	.03½	.03½	.03	.03
5	43.00	39.25	McIntyre	10,655	41.00	42.25	39.50	42.00
1	.50	.50	McKinley	575	.50	.50	.50	.50
No	.03	.01½	McLeod River	22,100	.02½	.02½	.02	.02½
1	.53	.39	McMillan	18,240	.47½	.48½	.45	.48½
No	.50	.32	McWatters	40,200	.34	.36	.32	.32
1	1.21	1.00	McVittie	240,207	1.05	1.20	1.00	1.10
No	1.95	1.60	Mining Corp.	12,110	1.60	1.95	1.68	1.90
1	.05½	.02½	Moffatt Hall	146,500	.04½	.04½	.04	.04½
1	.10½	.08½	Moneta	21,700	.09½	.10½	.09	.10½
1	*.00½	.00½	Montreal Rouyn	......	.00½	.....	.....	.....
1	.02½	.02½	Moss	......	.02½	.....	.....	.....
1	.02½	.01½	Murphy	79,800	.02	.02½	.01½	.02½
No	.03½	.02	Newbec	20,100	.03½	.03½	.03	.03½
1	.05	.03	Night-Hawk Penn.	1,100	.03½	.04½	.03½	.03½
5	2.60	2.30	Nipissing	5,990	2.36	2.50	2.35	2.35
No	36.25	33.25	Noranda	15,855	34.35	36.25	34.25	36.00
No	.35	.30	Nor. Canada	4,500	.30	.32	.30	.32
1	.16	.11	Osisko	4,300	.11	.16	.12	.16
1	.49½	.36	Parkhill	101,325	.39	.49½	.40	.48
1	.02	.01½	Pawnee Kirk.	1,000	.02	.01½	.01½	.01½
1	.25	.19	Paymaster	31,950	.20½	.24	.20	.23
1	1.10	.75½	Pend Oreille	8,315	.97	1.10	.98	1.08
1	.03½	.02½	Peterson Cobalt	2,000	.03	.02½	.02½	.02½
1	12.75	10.75	Pioneer Gold B.C.	8,855	11.50	12.60	11.25	12.25
1	.03½	.01½	Porcupine Crown	13,005	.02½	.03	.02½	.02½
1	.01	.00½	Potter Doal	9,000	.00½	.00½	.00½	.00½
1	1.09	1.02	Premier Gold	34,500	1.07	1.08	1.02	1.06
1	.01½	.01½	Preston E. Dome	1,000	.01½	.01½	.01½	.01½
No	.48	.35	Prospectors Air's	100	.40	.35	.35	.35
No	.09½	.05	Quemont	500	.09½	.08	.08	.08
1	.46	.27	Read Authier	56,553	.28	.46	.30	.43½
1	1.28	.87	Reno	47,000	1.08	1.28	1.01	1.20
1	.01½	.00½	Ribago	3,000	.01½	.01½	.01	.01½
1	.02	.01½	Ritchie	4,000	.01½	.02	.01½	.02
1	.03½	.01½	Robb Montbray	12,700	.02½	.02½	.02½	.02½
1	2.20	1.75	San Antonio	57,821	1.80	2.20	1.76	2.14
1	*.07	.02	Seven Troughs	......	.07	.....	.....	.....
1	1.21	.99	Sherritt Gordon	51,440	1.11	1.21	1.10	1.20
1	1.75	1.43	Siscoe	137,975	1.54	1.75	1.52	1.68
1	.03½	.02½	South Keora	6,500	.02½	.02½	.02½	.02½
No	.26½	.10	South Tiblemont	180,950	.12	.13½	.10	.13
No	.13	.08½	Stadacona	68,420	.10½	.11½	.10	.11½
1	.49	.33	St. Anthony	45,150	.40	.49	.41	.48
No	1.40	1.00	Sudbury Basin	18,635	1.20	1.40	1.20	1.35
1	.10½	.07	Sudbury Contact	14,900	.10	.10½	.09½	.10
1	.01½	.00½	Sudbury Mines	14,500	.01½	.01½	.01½	.01½
No	.18	.18	Sudbury Nickel	......	.18	.....	.....	.....
1	.35	.25	Sullivan	17,800	.30	.31	.29½	.30
1	2.03	1.29	Sylvanite	183,250	1.61	2.03	1.60	2.02
1	6.20	5.75	Teck Hughes	44,121	5.85	6.10	5.75	5.95
1	.36½	.20	Thom. Cadillac	195,368	.31½	.36½	.31	.35½
1	.33	.26	Towagmac	1,700	.30	.33	.30	.33
1	.85	.35	Treadwell	210	.55	.60	.45	.59
1	.20½	.18	United Kirkland	100	.20½	.20	.20	.20
No	.02½	.01½	Vacuum Gas	24,000	.02½	.02½	.01½	.01½
No	*2.40	.30	Venezuela	......	1.06	.....	.....	.....
No	1.10	.77	Ventures	101,160	.87	1.10	.87	1.06
1	.02½	.01½	Vickers	93,500	.02½	.02½	.02	.02
No	1.40	1.12	Waite Amulet	14,785	1.26	1.30	1.22	1.30
50c	.48	.40	Wayside	166,580	.43	.47	.41	.45½
No	.40	.31½	White Eagle	48,350	.35	.35½	.33½	.35
1	.06½	.03½	White Lake	12,500	.05½	.05½	.04½	.04½
1	.13	.07	Wiltsey Coughlan	122,100	.08½	.13	.08	.10½
1	.09½	.05	Wood Kirkland	7,200	.09	.09½	.07	.09½
No	7.45	6.75	Wright-Hargreaves	30,640	6.95	7.45	6.85	7.40
			OIL STOCKS					
No	.18½	.17	Acme Gas & Oil	13,950	.18	.18½	.17½	.18
1	*.05	.04½	Admiral	......	.05	.....	.....	.....
No	*.01	.01	Advance	......	.01	.....	.....	.....
1	1.12	1.02	Ajax	1,850	1.08	1.09	1.05	1.06
1	.25	.18	Alta. Pacific	1,485	.19	.20	.18	.20
1	.15½	.12	Amalgamated	15,468	.14	.14½	.13	.14
1	.05½	.04½	Anaconda	3,400	.05½	.05½	.05½	.05½
	.08	.08	Askalta	......	.08	.....	.....	.....
No	.35	.20	Associated	13,725	.24½	.31	.25	.30
No	.12	.06½	Baltac	4,600	.08½	.10	.09	.09½
No	1.15	.95	Calgary & Ed.	4,200	1.10	1.12	1.04	1.08
1	.15	.11	Calmont	4,100	.12	.14	.12½	.13
1	.10	.06	Common. Pete.	2,050	.09	.10	.09	.10
No	.65	.50	Dalhousie	11,185	.55	.65	.50	.55
No	.08½	.04½	Devenish	3,550	.08	.07	.06	.07
No	.30	.23	East Crest	2,850	.26	.26	.23	.25
No	.09	.09	Erie Gas	1,600	.....	.09	.09	.09
No	.01	.00½	Fabyan Pete	87,000	.01	.01	.00½	.00½
No	.75	.40	Foothills	2,570	.40	.75	.50	.60
No	.16½	.10	Freehold	29,060	.14	.16½	.12	.15½
No	.13	.08	Hargal	1,525	.10	.10	.08	.10
No	1.90	1.50	Home	19,450	1.70	1.90	1.70	1.85
No	.02½	.02	Homestead	......	.02	.....	.....	.....
1	*.16½	.10	Homestead O. & G.	3,000	.14	.14½	.14	.14
No	.42	.20	Lowery	11,000	.25	.42	.33	.33
No	.05	.03½	Madison	71,000	.04½	.04½	.04½	.04½
No	.33	.14	Marjon Oil	35,800	.25	.33	.24	.33
No	.05½	.04½	McD. Segur Ex.	8,000	.04½	.05½	.04½	.05½
1	*.08½	.06	McD. Segur N.	......	.06	.....	.....	.....
1	.45	.40	McLeod	2,975	.40	.45	.40	.45
No	.22	.15	Mercury	15,300	.19½	.20	.18	.18½
No	.42	.32	Merland	7,700	.37	.38	.36½	.37
[illegible]	[illegible]	[illegible]	Midwest Oil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Mill City Pete.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1	.33	.25	Model	2,850	.30	.30	.28	.30
5	.14	.09	Nordon	25,550	.09½	.11	.10	.11
No	.06	.05	Oil Selections	33,225	.05	.05½	.05	.05½
No	.16½	.06½	Okalta	85,600	.08½	.16½	.08½	.12½
100	29.00	20.00	Do., pref.	......	20.00	.....	.....	.....
No	.27	.21	Olga Gas & Oil	7,900	.23	.23	.21	.21
1	.80	.75	Petrol Oil & Gas	200	.75	.80	.80	.80
No	*.02	.02	Richfield	......	.02	.....	.....	.....
No	19.55	18.30	Royalite	1,010	19.50	19.55	18.30	18.56
1	.10	.07½	Sarnia Oil	6,100	.08½	.08½	.08	.08½
No	.15	.13	South West Pete	500	.13	.15	.13	.15
1	.27	.23	Spooner	3,000	.23	.27	.25	.27
No	.69	.60	Sterling Pacific	27,500	.67	.69	.66	.66
No	.11½	.07½	United	19,275	.09	.11	.09	.10
No	.14	.11	Vanalta	100	.11	.14	.14	.14
No	.92	.77	Wainwright West	55,950	.85½	.92	.84	.92
1	.22	.22	Wellington Oil	......	.22	.....	.....	.....

VANCOUVER STOCK EXCHANGE
(Transaction for Week to January 30.)

Par Val.	Range 1934 High	Low	Company	Sales	Close Jan. 23 (or last)	High for week	Low for week	Close Jan. 30
	.09½	.04½	Alexandria G.	52,000	.00½	.09½	.06½	.06½
25c	.03½	.01	Bayview	124,150	.02½	.03½	.02½	.03
20c	.08½	.05½	Beaver Silver	31,200	.06½	.06½	.05½	.06
25c	.06½	.04	Big Slide	......	.04	.....	.....	.....
25c	.03	.02	Bluebird	5,000	.03	.02	.02	.02
1	1.00	.83	Bradian	4,050	.90	.90	.86	.90
No	11.25	9.85	Bralorne	1,853	10.85	11.25	10.65	11.10
1	.44	.20	Bridge River Cons.	72,050	.41	.43	.39	.42
50c	.65	.28	Bridge River Exp.	98,550	.58	.65	.55	.65
100	99.00	99.00	B. C. Electric, pfd	......	99.00	.....	.....	.....
1	.80	.51½	B. C. Nickel	25,550	.68	.80	.62	.76
1	1.10	1.00	B. C. Silver	......	1.10	.....	.....	.....
No	*.82	.52	Burns Mountain	......	.55	.....	.....	.....
50c	.27	.20	Butte I.X.L.	10,800	.25	.25½	.25	.25
25c	*.36	.35	Cariboo Central	......	.36	.....	.....	.....
1	2.90	2.00	Cariboo Gold	20,420	2.30	2.57	2.25	2.45
No	10.00	8.75	Coast Breweries	230	10.00	9.25	9.00	9.00
25c	.01	.01	Cork Province	2,700	.01	.01	.01	.01
1	*.05	.02½	Cotton Belt	......	.05	.....	.....	.....
1	.04	.01½	Dalhousie Mines	47,000	.03½	.03½	.03	.03½
No	.47	.25	Dentonia	13,805	.43	.45	.42	.45
1	.45	.29	Dunwell	4,580	.35	.37	.31	.31
1	.40	.31	George Copper	1,000	.31	.40	.35	.40
50c	.02½	.02	Geo. Enterprise	2,500	.02	.02½	.02½	.02½
1	.03	.02½	Georgia River	32,000	.03	.03	.02½	.02½
1	.07½	.01	Glacier Creek	33,750	.04½	.07½	.04	.06
1	.50½	.45	Golconda	7,000	.48	.50	.45	.50
50c	.47	.27	Gold Belt	17,935	.41	.42	.40	.40
1	*1.50	.95	Golden Belle	......	1.50	.....	.....	.....
	.20	.17	Grange	3,900	.20	.20	.19	.19
50c	.06	.04	Grandview	15,300	.05	.05½	.04	.04
1	.40	.28	Grull Wihksne	12,950	.37	.38	.35	.36½
	.07	.05	Hercules Con.	301,920	.05½	.07	.05	.05½
No	.20	.07	Home Gold	80,350	.18	.20	.18	.18
1	.02	.01½	Independence	4,500	.01½	.02	.01½	.02
1	.02	.01½	Indian Mines	1,800	.02	.02	.01½	.01½
1	.14	.12½	Inter. Coal	8,600	.13	.13	.12½	.12½
1	*.36	.36	Jack Waite	......	.36	.....	.....	.....
50c	.24	.20	Kootenay Belle	1,850	.22	.21½	.20	.21½
25c	.01	.01	Kootenay King	1,000	.01	.01	.01	.01
25c	.01½	.01	L. & L.	......	.01½	.....	.....	.....
1	.01	.00½	Lakeview	21,000	.00½	.01	.00½	.01
10c	.06	.05	Lucky Jim	32,400	.05	.05½	.05	.05½
50c	.00½	.00½	Marmot Metals	5,000	.00½	.00½	.00½	.00½
10c	.33	.22	Meridian Min.	81,050	.23	.26	.22	.24½
1	*.10	.07	McGillivray Creek	......	.07½	.....	.....	.....
	.16½	.11	Mac Seccar	25,060	.....	.16½	.11	.16½
5c	.04	.04	Metaline Metals	......	.04	.....	.....	.....
No	.26½	.13	Minto Mines	140,200	.25	.26	.22½	.23½
50c	.12	.05½	Mogul	11,500	.08	.12	.09	.12
25c	*.01	.00½	Mohawk	......	.00½	.....	.....	.....
50c	.30½	.20	Morning Star	56,700	.28½	.30	.25½	.28
1	.03	.02	Morton Woolsey	......	.02	.....	.....	.....
1	.13	.05	Native Sons	105,100	.11	.11	.08½	.10
50c	.06½	.04½	National Silver	33,500	.05½	.05½	.04½	.04½
50c	1.34	1.18	Nicola	46,525	1.30	1.34	1.29	1.32
50c	.15	.11	Noble Five	90,500	.13	.13	.11	.11½
50c	*.01	.00½	Oregon Copper	......	.01	.....	.....	.....
1	.36	.12½	Pavilion	5,000	.34	.35	.29	.35
1	12.75	11.00	Pioneer Gold	1,675	12.50	11.90	11.00	11.75
1	*.11	.10	Planet	......	.10	.....	.....	.....
50c	.14	.10	Porter Idaho	14,100	.12½	.12	.10	.11½
No	.02	.01½	Premier Border	51,800	.01½	.01½	.01½	.01½
No	.25½	.16	Princess Royal	1,500	.18	.18	.16	.16
1	.03	.03	Quatsino Copper	......	.03	.....	.....	.....
	.18	.16	Red Hawk	500	.18	.16	.16	.16
No	.22½	.10	Reeves McDonald	3,800	.20	.20	.17	.20
1	.18	.10	Reliance	40,450	.16	.18	.15½	.18
1	1.11	.87	Reno Gold	8,950	1.06	1.12	1.02	1.05
1	.14½	.09½	Reward Mining	94,075	.13½	.14½	.12½	.13
1	.03	.01½	Rufus Argenta	11,000	.03	.03	.02½	.03
1	.04½	.03½	Ruth Hope	1,500	.04	.03½	.03½	.03½
1	.54	.37	Sally Mines	6,000	.45	.45	.37	.37
1	.07½	.05	Silverado	2,005	.07½	.06½	.05	.05
25c	.03½	.02½	Silver Crest	35,000	.03	.03	.02½	.02½
20c	.07	.04	Silversmith	21,000	.05	.07	.06	.06
50c	.02½	.01½	Snowflake	10,000	.01½	.01½	.01½	.01½
25c	.02	.02	Sonora	......	.02	.....	.....	.....
1	.40	.28	Standard Gold	10,850	.30	.40	.30	.38
10	5.60	4.75	Sunshine	400	5.40	4.95	4.75	4.75
1	.24	.22	Sunloch	700	.22	.24	.24	.24
No	.74	.50	Taylor Bridge	35,050	.71	.70	.66	.68
5	.22	.20	Toric	100	.20	.22	.22	.22
50c	*.03½	.00½	Topley Richfield	......	.00½	.....	.....	.....
50c	.25	.04½	United Empire	38,000	.20	.25	.18	.18
No	2.50	1.40	Vidette Gold	11,650	2.30	2.35	2.20	2.25
No	.24	.14½	Waterloo	62,330	.15	.24	.13	.20
25c	.03½	.02½	Waverly Tangier	190,100	.02½	.03	.02½	.02½
50c	.46	.41	Wayside	37,900	.45	.44	.41	.42
20c	.03½	.02½	Wellington	8,500	.02½	.02½	.02½	.02½
No	.39	.30	White Eagle	2,000	.33	.35	.34	.35
1	.09	.07	Whitewater	4,200	.07½	.07½	.07	.07

*Quotations for 1933. None recorded in 1934 to date.

DIVIDEND PAYERS

	Rate	Yield %
Ajax Oil	8c.	7.54
Bulolo Gold‡	60c	.....
Coast Brew.	92c.	10
Coniagas‡	12½c.	.....
Cons. Smelters	1.50	.....
Dome Mines	1.25	.....
Falconbridge*	25c.	.....
Goldfield Cons‡*	5c.	.....
Hollinger	65c.+20c.	6.29
Howe Sound	$3	.....
Int. Coal & Coke‡	2c.	.....
Inter. Nickel, c.	10c.	.....
Lake Shore	$2+$1	6.81
McIntyre	1.62½	3.86
Mercury Oils	4c.	.....
Merland Oils‡*	5c.	.....
Model Oils	3c.	.....
Noranda‡	$1	.....
Petrol Oil‡*	1c.	.....
Premier	12c.	11.32
Pioneer, B.C.	60c.	4.89
Royalite	$1	.....
Siscoe	12+2c.	8.32
Sterling Pacific Oil‡	2½c.	.....
Sunshine Min.	5+7c.	.....
Sylvanite	10+2½c.	.....
Teck-Hughes	60c.	10.08
Wright-Har.	20c.+10c.	4.05

‡Interim. †Initial. *Paid in 1933.

Unlisted Mining Stocks

February 6

	Bid	Ask
Adanac Gold	.23	.25
Algoma M. & Fin.	.15	.17½
Arntfield Gold	.68	.75
Arntfield Synd.	.60	.70
Astoria Rouyn	.02	.04
Bathurst	.04¼	.05
Beattie	1.31	1.36
Bidgood	.02	.03
Buff. Ankerite	1.64	1.70
Buff. Rouyn	...	.03
Bussieres Min.	.30	.45
Can. Pandora	.22	.24
Can. Radium	...	.10
Canusa Mining	.03	.05
Clover G. Units	18.00	20.00
Cochenour-Wil. Units	15.00	22.00
Continental Col.	.26	.30
Continental Kirk.	...	.05
Crown Reserve	.02	.03
Delta Units	60.00	50.00
Dorval Siscoe Units	...	15.00
Dunlop Cons.	.01	.02½
Eagle Oil	1.35	1.50
Echo Bay Explor.	...	.35
Edgecreek Un.	8.00	14.00
Fiske	...	.03
Four Nations	.10	.14
Gachin G. Un.	10.00	...
Galatea Units	15.00	25.00
Glenora Gold	.25	.35
Goldside Units	43.00	50.00
Gr. Bear Lake	.40	.50
Gunnar Gold	.90	.97
Herbin Lake Un.	9.00	14.00
Holytrex	.03½	.05
Horseshoe	.07	.11
Island Lake	.06	.08
Kenty Gold	1.05	1.11
Kirk. Gold	.15	.20
Kirk. Divide	.19	.25
Lake Geneva	.10	.16
Lamaque Gold	.75	1.00
Little Long Lac	1.38	1.43
McCarthy Webb	.04	.07
Mackenzie Red Lake	.55	.59
McL. Cockshutt	.18	.22
Makwa Cham.	.25	.28
Man. & Eastern	.08¼	.09¼
Maple Leaf M.	.54	.56
Matchewan Can.	.12½	.14
Mecca Gold	.20	.23
Metals Develop.	.01½	.03
Minefinders	1.00	...
Martin-Bird Un.	14.00	16.00
N.A.M.E. Units	5.50	8.00
Normetal Mine.	.40	.55
Normount	...	.20
North'd Pros.	...	500.00
N. Tiblemont Un.	...	20.00
O'Connell Gold	...	.30
Oro Grande Dev.	...	.60
Peninsular Pet.	.00¼	.01
Pontiac Rouyn	.40	.50
Que. Eureka Un.	10.00	15.00
Quebec Pros.	2.50	...
Silverore Un.	10.00	12.00
Silveradium Un.	72.00	85.00
Silver Valley	...	.20
Smelter Gold	27½	.28½
Sourdough Un.	5.00	10.00
Sun Bear	...	.20
Sunorca Explor.	1.00	1.15
Swayze Contact	...	.17
Tashota	.03½	.05
Tiblemont Island	.19	.23
Titurno Units	9.75	10.50
Toburn	.70	.75
Tyrrell Tp. McN.	...	40.00
Vipond	.40	...
West McWatters Units	5.00	9.00
Wendigo	.25	.35
Young Davidson	.31	.34

The above table is made up from quotation sheets of several brokers. The Financial Post does not guarantee the quotations but can supply any subscriber with the name of the broker from whose sheet any particular quotation was taken.

PAGE - HERSEY EARNED INCOME HIGHER IN 1933

Now Earning at Dividend Rate of $3 Annually—Prospects Better

LIQUIDS STRONG

Higher Pound Sterling and Lower U. S. Dollar Works Out Profitably For Company

Page-Hersey Tubes, Ltd., had in 1933 an operating profit of $398,586 as compared with $312,637 in 1932. Addition of other income of $149,629 brings this to a total of $548,215. The Financial Post conjecture in the last issue that the full $3 a share dividend on 174,276 no par value common shares had been fully earned in 1933 was based on the understanding that this amount was after depreciation. Instead of that, the company increased its depreciation write-off from $75,000 in 1932 to $206,797 in 1933 and earnings shown were, therefore, $1.81 a share, slightly lower than the preceding year. It is apparent, however, that actual earnings were much better in 1933 and it is known from company announcements to shareholders that though the dividend was not earned in the first half of the year it was fully earned in the second half of the year and that earnings during that period and to date have been at the rate of the full dividend.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1933 $	1932 $
Oper. profit	398,586	312,637
Less:		
Depreciation	206,797	75,000
Tax reserve	23,680	64,201
Net oper. profit	168,109	173,436
Add: Other inc.	149,629	169,215
Net profit	317,788	342,651
Less: Pref. divs.	1,230	1,274
Common divs.	503,414	675,532
Deficit for year	186,906	334,155
Add: Prev. surplus	723,170	1,057,326
Addit. deprec.	126,388	......
Balance forward	409,876	723,170

Write Off Much Depreciation

W. W. Near, president and managing director, explains in the report to shareholders that the earnings are shown as in the above statement in order to conform to a recent ruling of the Income Tax Department on account of which it was deemed expedient to make a transfer of $126,388 from "Profit and Loss Account" to "Reserve for Depreciation of Plant and Machinery." This appropriation was applicable to the former year's business. When adjustment is made for this the net profit shown of $317,737 will compare with $216,263 in the preceding year or an improvement of nearly one third. This additional depreciation allowance helped to bring the surplus account down from $723,170 to $409,876. In the preceding year explanation had been made that full depreciation was not thought necessary because the machinery was not used at anywhere near full capacity. It was stated that it did not, under the circumstances, depreciate nearly as fast as usual.

Reduction in both current assets and current liabilities during the year increased the ratio from 14.55-1 to 29.10-1. Working capital practically remained unchanged in so far as the total was concerned.

WORKING CAPITAL

	1933 $	1932 $
Current assets	5,124,935	5,856,836
Current liabilities	176,109	868,123
Working capital	4,948,826	4,988,713
Ratio	29.10—1	14.55—1

The drop in current assets was made up mainly as follows: a drop in cash from $447,271 to $337,670; a drop in call loans from $600,000 to $200,000, and a drop in inventories from $1,453,229 to $1,374,660. Bills receivable at $32,055 were little changed but accounts receivable advanced from $137,772 to $184,547 and government bonds went up from $2,463,878 to $2,806,139. Mr. Near stated that securities consist almost entirely of government and provincial bonds and book value of securities was less than their market value as at December 31 last.

Exchange Advantages Gained

Mr. Near states that the company, being dependent for supplies of raw material on United States sources, gained a considerabe advantage when United States dollar dropped during 1933 from 13¾ per cent premium to ¼ per cent premium. Higher rates quoted on the pound sterling were also beneficial to the company as its export sales are in large measure paid for in sterling. During the first half of 1933 sales were at a low ebb, but have materially increased during the latter half. Expenses were markedly reduced.

$52 Behind Common Share

Real estate, buildings, plant machinery and equipment are shown at $4,469,423 with a reserve against this of $1,337,335 or 30 per cent. The investment in stocks of subsidiary and allied companies is shown at $739,000.

After eliminating $17,200 of preferred stock, there are outstanding behind the common stock $29.30 in current assets alone and another $22.20 in fixed assets and the amount shown on the balance sheet for investment in stocks of subsidiary and allied companies, after deducting the full reserve for depreciation. In this estimate the amount of $356,833 shown for employees' bonus fund among the current assets has not been included as available for common stock. No account is taken of $165,000 shown in the footnote to the balance sheet as bank guarantee for subsidiary companies.

Ontario Gold Mines Mill Lower Grade Ore in 1933

Porcupine Belt Alone Increases Standard Value of Gold Output — But Exchange Adjustment Establishes Value Higher Than in 1932

December gold bulletin of Ontario Department of Mines shows that ore milled in 1933 amounted to 5,614,680 tons with a valuation of $43,728,144 and an additional exchange adjustment of $14,400,000. This compares with 5,543,620 tons of ore milled in 1932 with a total value of $46,773,154 and an additional exchange adjustment of $6,165,189. This exemplifies the growing tendency of gold mines to make use of the higher market value of gold to mine low-grade ore formerly passed over. The totals given do not include gold from nickel-copper mines which was worth $472,360 in 1932 and may be much more in 1933.

Every field showed an increase in ore tonnage milled but only the Porcupine belt showed an increase in value of ore exclusive of exchange adjustment. The full report is as follows:

Source and Period	1932 Ore Milled tons	1932 Total Value $	1933 Ore Milled tons	1933 Total Value $
Porcupine Belt:				
Jan.-June incl.	1,624,340	10,411,136	1,669,275	10,890,411
July	276,270	1,608,025	277,475	1,712,065
August	289,565	1,865,385	291,391	1,886,546
September	282,127	1,857,892	282,789	1,783,824
October	299,814	1,814,757	295,475	1,565,477
November	289,723	1,841,137	290,601	1,814,699
December	289,150	2,067,215	290,733	1,921,891
*Total	3,350,989	21,465,547	3,397,839	21,624,913
Kirkland Lake Belt:				
Jan.-June incl.	835,328	12,015,560	879,362	10,580,574
July	149,430	1,879,871	164,464	1,819,381
August	150,721	1,985,125	154,289	1,728,048
September	151,253	1,943,008	145,566	1,558,664
October	153,579	1,972,676	157,434	1,684,889
November	155,421	1,964,876	158,545	1,670,564
December	154,229	1,921,146	158,072	1,689,466
*Total	1,799,961	23,682,262	1,802,752	20,731,536
Northwestern Ontario:				
Jan.-June incl.	185,289	817,224	202,620	740,516
July	34,326	146,854	30,676	105,358
August	33,679	148,669	35,248	101,801
September	34,302	116,286	26,520	74,410
October	35,287	120,967	31,797	97,996
November	33,961	128,170	39,721	102,712
December	35,226	147,175	47,512	148,908
*Total	392,670	1,625,345	414,089	1,371,695
Total for Province:				
Jan.-July incl.	2,695,557	23,243,920	2,751,357	22,211,495
July	460,026	3,634,750	463,635	3,636,754
August	473,965	3,999,179	480,923	3,716,395
September	467,682	3,917,186	454,875	3,366,898
October	468,680	3,908,400	484,706	3,448,362
November	479,105	3,934,183	483,867	3,587,975
December	478,606	4,135,536	496,317	3,760,265
*Grand Total	5,543,620	46,773,154	5,614,680	43,728,144

RIVERSIDE SILK EARNINGS ARE UP CASH IS STRONGER

Riverside Silk Mills Ltd., had net earnings of $53,637 in 1933, equal to $1.79 per share on the 30,000 shares of class A stock outstanding. This compares with net earnings of $33,835 in 1932 and $55,085 in 1931. The working capital position of the company was strengthened and the ratio of current assets to current liabilities, at 8.75 to 1, is the best since 1929.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1933 $	1932 $
Net profits*	53,637	33,835
Less: Cl. A divs.	30,000	37,500
Surplus for year	23,637	†3,665
Add: Prev. surp.	458,755	463,003
Less:		
Tax adjust.	413	583
Bal. forward	481,979	458,755

* After depreciation and taxes.
† Deficit.

Current assets have been slightly reduced as inventories are down to $120,434 from $162,496. Cash and Dominion of Canada bonds total $76,379 as compared with cash of $54,606 at the end of 1932. Accounts receivable are up to $113,758 from $103,072. Current liabilities have been reduced largely through decline in accounts payable to $11,579 from $41,260.

Working Capital

	1933 $	1932 $
Current assets	310,571	320,174
Current liabilities	35,496	55,375
Working capital	275,075	264,799
Ratio	8.75—1	5.78—1

Investment in real estate and buildings is up to $245,890 from $238,338 and machinery and equipment is up to $456,886 from $425,665. Depreciation reserve has been increased to $199,073 from $170,247. Surplus is up to $481,978 from $458,755.

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Pioneer Gold Proposes To Open New Levels Soon

Pioneer Gold Mines reports that, on the fourteenth level east, development has followed ore averaging $50 (gold at $20.67) across an average width of three feet for a distance of 50 feet with rich ore still in the face, although work has not yet reached a point below the rich section as proven on the upper levels.

On the fourteenth level west, 7 ounce ore 2½ to 3 feet wide has been proved for a distance of 80 feet. The vein then widened and showed lower values for some distance before dividing. The footwall vein was followed at the split and though narrow it contained high values, one assay showing $107 to the ton across 18 inches.

Metal Prices

New York—February 6—
Copper: Electrolytic spot and future, 8c.
Silver: 44⅛c.
London—February 6—
(Long Ton)—
Copper: Electrolytic spot, £36 10s; future, £37 10s.
Standard spot, £33 12s 6d; future, £33 17s 6d.
Tin: Spot, £227 5s; future, £226 7s 6d.
Lead: Spot, £11 15s; future, £12 12s 6d.
Zinc: Spot, £14 17s 6d; future, £15 5s.
Silver: 19-9/16d per ounce.
Gold: 139s 3d.
Canada—February 6—
Gold: $34.73.

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MELCHERS DISTILLERIES, LIMITED

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L. Eugene Potvin, C.A.
Albert Hudon

To the Shareholders:

On behalf of the Board of Directors, I submit herewith, copy of the Annual Report of Melchers Distilleries, Limited, covering the operations of this Company for the year 1933.

During the year just closed, we found that business conditions showed a fair improvement over the previous year and consequently the financial position of your Company is much improved.

Our Bank Loan at the end of the previous year amounted to $195,000.00. As this has now been paid off entirely, it will result in a considerable saving in bank interest. Furthermore, the mortgage of $4,000.00 shown on the previous Balance Sheet has also been paid off in full, with the result that, the total current liabilities of your Company as at December 31st, 1933, amounted to only $15,371.10.

If you will refer to the previous Balance Sheet of the Company, you will note that the working capital showed a ratio of 3.94 to 1, whereas, the current Balance Sheet shows a working capital ratio of 61.69 to 1.

The volume of domestic sales showed an increase over the previous year.

In my letter addressed to the shareholders and dated January 27th, 1933, I stated that "it was our belief that the reduction in the Excise Tax, with a consequent reduction in the selling prices to the public, would stimulate domestic sales of Canadian-made products." It is my belief that this was a contributing factor to the increase in domestic sales which materialized. Moreover, it is hoped that the Federal Government will in the near future again reduce the Excise Tax and with a corresponding reduction in the selling prices to the public, domestic sales should continue to improve.

Operating expenses were still further reduced as a result of strict economies.

Owing to the repeal of prohibition in the United States the prices of American type whiskies have increased considerably. The liquor industry in that country, however, is still in a chaotic condition. There still prevails much uncertainty as regards the various individual state laws governing methods, taxes, quotas, licenses, etc., so that your Company has not been over anxious as yet to make any definite arrangements covering the distribution of its products. Nevertheless, negotiations with responsible parties are continually taking place, and the disposal of our goods is engaging the constant attention of your Directors. Moreover, there exists an extreme shortage of aged whiskies, so, I therefore, have no doubts whatsoever that the Company will be able to dispose of its products at attractive prices. Consequently, as soon as such sales materialize, I feel confident that your Company will be in a position to resume the payment of dividends.

Your properties have been well maintained and are in good condition and well insured.

It again gives me pleasure to express on behalf of the Board of Directors, their appreciation of the faithful work of the officials and employees of the Company and of their hearty cooperation in endeavouring to cope with the difficult problems surrounding the affairs of your Company in common with those of all others.

Yours faithfully,
V. MARCHAND,
President.

BALANCE SHEET

at 31st December, 1933.

ASSETS

Current:		
Cash on Hand and in Bank	$ 4,994.86	
Accounts Receivable	100,037.89	
Inventories of Matured and Unmatured Spirits, Raw Materials, Manufacturing and Other Supplies, at cost, less allowance for ullage and shrinkage of Bulk Whiskey	843,186.94	
		$ 948,219.69
Deferred Charges:		
Unexpired Insurance, Taxes, etc.		4,485.54
Fixed:		
Land, Buildings, Machinery and Equipment	1,746,311.20	
Less: Reserve for Depreciation	307,978.80	
		1,438,332.40
Trade Marks, Formulae, Patents, Goodwill		1,555,200.00
		$3,946,237.63

LIABILITIES

Current:		
Accounts Payable and Accrued Liabilities		$ 15,371.10
Provision for Estimated Losses on Uncompleted Commodity Contracts		3,653.60
Capital Stock and Surplus:		
Class A—Authorized and Issued: 100,000 shares of No Par Value.		
Class B—Authorized and Issued: 50,000 shares of No Par Value.		
Per Balance Sheet as at 31st December, 1932	$3,550,304.41	
Add: Balance as at 1st January 1933 of Inventory Reserve provided out of Capital at 31st December 1931, not now required and returned to Capital Account in accordance with Resolution of Directors	359,503.10	
	$3,909,807.51	
Surplus Account:		
Balance at credit 31st December 1933	17,406.42	
		3,927,213.93
		$3,946,237.63

Approved on behalf of the Board:
VICTOR MARCHAND
L. E. POTVIN } Directors.

AUDITORS' CERTIFICATE

We have examined the books of account and financial records of Melchers Distilleries, Limited for the year ended 31st December 1933 and have received all the information and explanations required by us.

Provision has been made for Depreciation on Automobiles and Office Furniture and Fixtures only.

The Inventories of Spirits, Materials and Supplies on hand have been certified to be correct by responsible officials of your Company.

Subject to the foregoing we certify that, in our opinion, the attached Balance Sheet as at 31st December 1933 sets forth a true and correct view of the financial position of the Company as at that date and that the attached Statement of Operations and Profit and Loss Account reflects the result from operations for the fiscal year ended the same date.

P. S. ROSS & SONS
Chartered Accountants.
Montreal, 18th January, 1934.

Canadian Mining News

B. C. POWER CO. IS BUILDING LINE TO BRADIAN MINE

Optimistic Reports Come from Bridge River

From Our Own Correspondent

VANCOUVER. — B.C. Electric Railway Co. (B.C. Power) is going ahead with its plans for providing ample power for the Bridge River mining field and the latest development is the building of a power line from Bralorne to the Bradian property.

Bradian, a subsidiary of Bralorne, will probably be ready for operation within two months, if weather permits. Power will be provided from Bralorne until the B.C. Electric transmission line from Bridge River is completed.

A new strike is reported on the Bralorne property. A tunnel on the No. 7 level is said to have encountered an ore body hitherto unexplored varying from three to twenty feet in width and averaging about seven feet for the total distance of 80 feet. Ore in the new strike is reported to yield in mill recovery more than $100 a ton with gold valued at $20 to the ounce.

Ira B. Joralemon, San Francisco engineer, who has been investigating the BRX (Bridge River Exploration) property, is optimistic in his latest report. Col. H. H. Yuill also has made a favorable report.

Joralemon says the success of BRX is practically assured by the discovery of the rich ore 400 feet below the lower California vein. A 500-foot winze to the horizon of the drill hole, he says, should quickly develop ore enough to justify a mill that will place the property on a profitable basis. The gold content, he adds, has increased 600 to 800 per cent in the four hundred feet.

At the Mines

Bralorne:—Notice has been sent out to Bralorne shareholders that they may now secure their warrant shares in the new Bradian company. All shareholders of Bralorne on record January 24 are entitled to two shares of the new Bradian stock for every five held of Bralorne, the price to be paid being $1 a share for the Bradian. The warrant shares must be taken up by March 12, and whatever shares have not been taken up by that date will be assumed jointly by the Newmont Co. and the Bralco Co. The Bralorne shareholders will make payment for their Bradian warrants to the Royal Trust Co., which is handling the issue of the new certificates.

* * *

Base Metals Mining Corp.: — The Financial Post learns there was a shipment to Europe, on February 3, of a cargo of zinc concentrates from the mine of this corporation at Field, B.C. The S.S. "Oregon" carried 2,000 dry long tons, assaying 61.6 per cent zinc.

* * *

Bagamac Rouyn:—The No. 2 diamond drill hole put down on the company's property in the town of Rouyn, Que., cut two feet of quartz with heavy mineralization, according to R. C. Gamble, president. The ore was cut at a depth of about 200 feet.

* * *

Cariboo Quartz:—News from Fred Wells, managing director at Cariboo Gold Quartz, indicates that a crosscut from the bottom of No. 1 shaft has broken into several feet of quartz which is regarded as promising. Another vein has also been struck on the 1,200-foot level, showing several feet of ore in what seemed "a very important strike." R. R. Rose has now assumed his duties as manager of Cariboo Quartz.

* * *

Gold Mountain: — Howard Clegg, fiscal agent for Gold Mountain shares, says that this company's stock will be called for trading on the Vancouver exchange soon. He claims that the veins have been opened at depth, and that they have been found to be as wide as thirty feet Values are reported to average around $13. Diamond drilling will assist to bring the property into production, he says. The property is located near Hedley.

* * *

Hercules Consolidated Mining, Smelting & Power Co.:—Work is being rushed preparatory to underground development on the company's property at Phillips Arm.

* * *

Morning Star Gold Mines: — Arrangements have been completed to provide sufficient funds to complete all development work, construct an aerial tramway, water system and mill on the property of the Morning Star (Fairview) Gold Mines Ltd., it is announced by officials of the company. During November and December a total of 1,600 tons of straight mine ore was shipped to the Trail smelter giving an average return of .60 ounces of gold to the ton.

* * *

Manitoba & Eastern Mines: — Walter E. Hurd, president, states that the option held by Manitoba and Eastern Mines, Ltd., on the Strathy township property at Temagami has been exercised.

In commenting upon the agreement between the company and Bobjo Mines, Ltd., Mr. Hurd stated that Bobjo had purchased and optioned 2,000,000 of the company's treasury shares for a total of $202,500, which sum, it is believed, will be sufficient to fully develop and place the property in production. Under the agreement Bobjo has the direction and supervision of operations.

A diamond drilling programme is at present in progress on No. 1 showing. The vein has been cut in 12 holes showing good values and widths. Upon completion of diamond drilling it is planned to install a mining plant.

* * *

Nickel Plate: — The Nickel Plate mine in the Hedley district, once the largest gold producer in Canada, will be reopened shortly it is reported. A large crew of men has been at work for some time developing ore bodies and a number of new claims have been acquired and taken into the group by the new company.

* * *

Reno Gold: — According to the December progress report, recently issued, 409 ft. of lateral development was done during the month of which over 200 feet was in ore. Additional footage of 130 ft. on the 600-ft. level brings the total mine figure up to 278 ft. with an average width of 2 ft., 9 in., with average values of 1.9 ounces. On the 520-ft. sub-level, 117 ft. of footage is reported, all in ore.

Ore broken in the stopes during December amounted to 1,380 tons.

Excavation for the shaft house and transformer house are continuing in preparation for the sinking of a three-compartment shaft from the 500-ft. level.

Manitoba's Gold Search Being Waged on a Scale That Gives Real Promise

Production in 1933 Had Standard Value of $2,750,000

NEW AREAS ACTIVE

Spurious Promotions Give Real Concern to Government Officials; Taking Large Toll

By Staff Editor

WINNIPEG.—With its 1933 gold production having a standard value of approximately $2,750,000, Manitoba is rapidly forging ahead in the development of its mineral resources. Never before was the exploration for gold being waged on such a widespread scale, old areas are being combed for further showings and new districts are being aggressively exploited. The impetus that has been given gold mining and the exploration for gold by the present high price for the yellow metal is more than of temporary importance because it is enabling young producers to get a foothold and become firmly established so that should the price of gold become lower or the differential between cost and selling price be reduced, these young mines will be so firmly entrenched with lower production costs and with metallurgical and geological problems worked out that they can cope with these conditions.

First "Gold" Dividend Paid

Started 20 months ago, the San Antonio Gold Mines has forged ahead and is now the largest solely-gold producer in the province. Discovered 23 years ago, it remained for the present era of prosperity for gold mines to get it successfully launched. Recently it declared its initial dividend—the first real dividend ever paid by a metalliferous mine in the province. By coincidence its mine manager, D. J. Kenneday, was in charge of the early copper mining operations of the Mandy mine near Flin Flon, when a syndicate between 1917 and 1920, mined over $2,000,000 worth of ore that yielded a profit for its sponsors of about $700,000.

The only other solely-gold mining operation in the province on a commercial basis is the Central Manitoba Mines which has been in production for the past six years, without, however, showing a profit on the undertaking. New theories have been evolved about its geological features and it still has promise of profitable life.

Flin Flon Gives Hope

The principal mining and metallurgical operation in the province is the huge Hudson Bay Mining & Smelting plant at Flin Flon, which started late in 1930, producing copper-zinc-gold-silver. Although discovered in 1915, its then remoteness from the railway and unsolved metallurgical problems held back its being launched commercially. It started under the handicap of the owest base metal prices in the history of the industry. What it has been able to do in a period of adversity for the base metal industry, forebodes good omen for its prospects once industrial conditions and metal prices improve.

While little or no attention is being paid to base metal properties other than the Flin Flon, the interest in gold far outstrips in real activity anything heretofore experienced.

Oro Grande Starts

In the Central Manitoba area some 100 miles northeast of Winnipeg, the principal producers are San Antonio Mines and Central Manitoba. In this same area Oro Grande completed a 75-ton mill last fall and started production in a small way, but recently suspended milling to develop more ore. An old property that has taken on new interest as result of further prospecting, is the holding of the newly formed Gunnar Gold Mines. The rich surface showings are now to be prospected at depth and a electric mining plant is being installed. Electric power for operations is to come from an extension of the transmission line of the Manitoba Power Co. to the Central Manitoba Mines.

Last fall the Wilson Gold Mines, about three miles from the Central Manitoba Mines, operated a small test mill on the Onandago claims. At its adjacent Marie claims a shaft was sunk 100 ft., and some lateral work was done. Work is also planned at the Vanson property about two miles from the San Antonio mine. The company has been reorganized to provide the necessary funds. Scotia Gold Mines was organized last fall to develop the Juno claims near Garner Lake, in the Central Manitoba area.

Island Lake Disappoints

The Island Lake area which attracted considerable attention for the spectacular surface showing and the rapid construction of a mill by Ventures to bring the property into production. has proved disappointing. The mill was completed but never started and the latest word is that unless greater success is met with within the next two months all work will be stopped. Midway between the Island Lake area and Norway House on Lake Winnipeg, Bobjo Mines has acquired claims at Stevenson Lake and proposes conducting exploration work next spring.

Gods Lake Aggressive

The Gods Lake district some 75 miles east of Illford on the Hudson Bay Railway is commanding the greatest attention of any new area in the province. Since Robert Jowsey made the pioneer discovery in July 1932 aggressive work has indicated the find to be of major importance. Hundreds of claims have been staked but principal interest centres about the developments of Gods Lake Gold Mines, formed to consolidate the original stakings and adjoining claims, which give a total length of about nine miles along the strike. Extensive surface work and diamond drilling was done last year and a camp constructed preparatory to large scale development. A shaft has been started by hand steel and a steam operated mining plant is included in the 700 tons of freight that is to be moved in this winter over the winter road from Illford. The first of these supplies has just reached its destination, not without difficulties being encountered, owing to tractors going through the thin ice, which in early winter was protected by a heavy fall of snow. Officials believe that the supplies to be taken this winter will be nearer 1,000 tons than 700 tons. Plans have been drawn for the development of a hydro-electric site in the vicinity and if ore is developed this coming season as fast as expected, by this time next year a mill of from 300 to 500 tons capacity, and hydro-electric plant will be en route to the property.

The adjacent holding of East Gods Lake Gold Mines and Smelter Gold have also been diamond drilled and numerous companies have conducted preliminary surface work. The latest find to be reported in the district comes from about 20 miles southwest of Gods Lake. This is to be further explored this coming season.

Weed Out The Spurious

As might be expected in a mining development that has come to the fore as fast as it has in Manitoba in the past year, wildcatting is giving real concern to the officials of the Provincial Mines Department. Promoters from New York and Ontario have invaded the province in the guise of prospectors and developers, but without any real interest other than exploiting the investing public. As one sincere sponsor of mining in Winnipeg put it, "residents of Winnipeg know their wheat, but the gold mining wave has come so fast that they number among the most gullible investors to be found." The real problem now for the Provincial Securities Department is to weed out the spurious from the sincere efforts in order that Manitoba's mining industry may be sanely developed to the capacity that present indications promise.

Manitoba Govt. Sponsors Course For Mining Men

By Staff Editor

WINNIPEG.—Under the sponsorship of the Manitoba Department of Mines and Resources, and in co-operation with the University of Manitoba, a short course in mineralogy and prospecting has been given to some 100 mining men and those interested in mining.

The course was started early in January and continued throughout the month. It was in charge of Dr. G. G. Brownell, of the University staff. The courses were divided into day and night classes, and proved a popular effort on the part of Government to give budding prospectors an elementary knowledge of the rocks and minerals to be encountered in their search for mineral wealth.

NEW COMPANY HOLDS PROMISING CLAIMS

San Antonio's East Extension is to Be Drilled

By Staff Editor

WINNIPEG. — In view of the developments on the San Antonio's east No. 26 vein system, the property of the recently incorporated Forty-Four Gold Mines, headed by J. D. Perrin, of Winnipeg, assumes real importance.

The claims comprising the company's holding were held by various interests and when San Antonio's picture began to unfold these claims were consolidated to form the present company with a capitalization of $150,000.

It is believed the No. 26 vein strikes across the Forty-Four holdings. Present development is some 1,200 ft. from the boundary but last rounds on the 450-ft. level were still in ore. Two diamond drills have been sent in to drill through the ice this winter and work is to start at once. The new property is immediately east of San Antonio.

Home Oil Acquires Interest in B. R. X. Gold

From Our Own Correspondent

VANCOUVER.—Home Oil Co. has purchased a block of 50,000 shares of treasury stock of B. R. X. Gold. The oil company made the purchase after consultation with Col. H. H. Yuill, who approved the purchase of Pioneer and Bralorne shares some time ago. The new purchase is in line with Home Oil's policy in acquiring an interest in promising British Columbia mining properties.

The B. R. X. shares have been out on option for some time and are believed to be the last block available, with the exception of 250,000 shares remaining in the treasury. It is probable that the treasury stock will be retained until such time as a definite milling programme is worked out. It is indicated by an official of B. R. X. that the stock will then be issued at considerably higher price than the present market, to finance the mine through to production.

Beaver Silver Mines Will Use Diamond Drill

From Our Own Correspondent

VICTORIA, B.C.—Diamond drilling will be undertaken at the Beaver Silver Mines, Ltd. property at Beaverdell as soon as weather conditions permit, it has been announced. The diamond drill programme has been suggested by Henry Lee, consulting engineer for the company.

The last carload of ore shipped from the Beaver Silver property amounting to 48 tons is said to have returned the company approximately $4,000 after all smelter and transportation charges were deducted. Officials of the company stated that such ore shipments since the resumption of development work have paid the largest part of the company's costs in the last six months.

New Price for Gold Is Spur to Mining

President Roosevelt's Revaluation of Gold at $35 an Ounce Apparently Has British Support—Means Much to Mining and Gold Stock Prices

By G. W. NICHOLSON,
Vice-President Toronto Stock Exchange

When the world price of gold, which is established daily in London, went on February 5 to a peak for all time of 140 shillings an oz., it gave almost the force of certainty to the expectation that the new fixed price of $35 an ounce established tentatively by President Roosevelt in devaluing the United States dollar to 59.06 cents on the basis of the now historic price of $20.67 an oz. will be permanent. The British moved the price of gold up boldly, abandoning the franc as the basis of valuation, and in so doing made it likely that there will be no immediate danger of a currency war to unsettle what is called in the United States the 1934 model gold bullion standard.

Premiums May Become Stable

This is of the utmost importance to the stocks of the gold mining companies in Canada. Gold mining stocks have flourished during the depression and prices have run up to comparatively high levels because traders increasingly came to regard the old gold standard price of $20.67 an ounce as "historic" as the Latin language and as dead for ordinary purposes of exchange. For some time the price has been ranging 65 per cent above that old level and in Canadian funds ranged between $32 and $33 an ounce.

It has to be recognized that the new standard is "tentative" and that President Roosevelt has power, if necessary, to devalue the dollar to a 50 cent basis as compared with the old gold standard. It is also believed that he will not do so unless driven so to do by international events beyond his control, such as a currency war or a notable lagging in United States foreign trade. Great Britain, it is believed, desires stability beyond all things and may therefore try to meet the United States on the new level. Even if $35 did not hold, the important thing to remember from the standpoint of gold stock is that President Roosevelt has his mind fixed on a higher price for gold as measured in United States dollars if the present price will not answer expectations. If the dollar were devalued to the extent of 50 per cent the price of gold would be $41.34 an ounce in the United States. But $35 seems a lot to miners.

Earnings and Reserves Jump

Earnings of Canadian gold producers have attained levels beyond the most sanguine expectations of those interested. It should be observed that the price paid producers in excess of $20.67 is velvet for the most part. Profits on this account with respect to some leading companies have nearly doubled, enabling the majority of them to increase distributions to shareholders substantially, in the form of bonuses. For the most part such bonuses, however, may be expected to remain fixtures as long as the price for gold is maintained at anything like current levels.

Of equal importance to the gold mines, is the effect the high price of gold has on physical assets. Assuming that prognostications are correct and the price is fixed permanently at least at the present level, companies can at once mark up the value of ore reserves by close to 60 per cent. Hollinger, for instance, which has something like $45,000,000 in reserve, would then have close to $72,000,000; McIntyre, with over $20,000,000, based on the old standard price, could mark them up to $32,000,000; Wright-Hargreaves, with nearly $13,000,000 ore reserves could raise them to about $21,000,000; Dome, with reserves of not far short of $18,000,000, would have something like $29,000,000. Add to these current earning power, which is far in excess even of increased present rates of distribution and already strong cash surpluses, and an investment ranking is lent these seasoned producers well above what they have ever enjoyed before. It is significant also that large volumes of ore that previously had been considered waste are being added to reserves as commercial material.

United States Buying

Accumulation of the better class gold shares by United States interests, particularly during 1933, suggests that purchasers have had confidence in the future market for gold. Such buying has had a pronounced effect on prices of this group of stocks, which have risen into a new plane. This is demonstrated by a comparison of prices at the close of 1933 with one year ago:

	Close 1933	Close 1932	Net Gain
Dome	$35.00	$13.75	$21.05
Hollinger	11.50	6.25	5.25
Lake Shore	45.25	33.50	11.75
McIntyre	41.90	23.25	18.65
Pioneer of B.C.	12.15	4.40	7.75
Wright-Hargreaves	6.75	3.75	3.00
Teck-Hughes	5.80	4.05	1.75
Sylvanite	1.30	.79	.51

Aids Junior Golds

Relatively large advances were recorded during the year in many of the junior golds and a considerable list of shares of developing mines. Such favorable conditions underlying the gold mining industry, as outlined above, have stimulated prospecting and exploration, with the result that many producers are in the making or became producers during 1933. Financial backing has been available for development of discoveries of real promise. A number of junior producers have joined the list of dividend payers. Shares of companies that have been financed, which have gained a wide distribution, have been listed on the Standard Exchange and trading in these has helped to swell the business of the exchange.

Pickle Crow Gold Sells Shares to Bain

H. R. Bain & Co., Toronto, have taken a firm commitment to purchase 1,000,000 shares of Pickle Crow Gold Mines, leaving 500,000 shares in the treasury in addition to 1,500,000 shares issued to Northern Aerial Canada Gold.

It is stated that the latter company has spent more than $100,000 to carry on the development work. By stripping, test-pitting and diamond drilling, J. E. Hammell, president, states, the break has been proved to be 900 ft. long with one ore shoot 252 ft. long, averaging $11.60 over a width of 13 ft. 2 inches and $17.76 over a width of 5 ft. 6 inches, gold premium not included.

A shaft has been sunk to 400 ft. and a crosscut has picked up the vein at the 125 ft., 250 ft., and 375 ft. levels. Assays average $13 a ton in gold.

Reginald E. Hare, geologist, recommends 1,000 ft. of drifting at each of the five levels to open up the ore deposits and to prepare for erecting a 100 ton mill in the summer.

Anaconda Wells Report Progress

Anaconda Oil Co. weekly report, covering the seven days ended January 27, states that production in Model well No. 2 was gradually increasing. It is now making about 30 barrels a day and the oil is selling at $2.91 a barrel. Officials hope that it will reproduce the experience of the Foothills well and get up to 100 barrels daily.

Arrangements are being made for the completion of the Livingston well which was abandoned at a depth of 2,865 ft. on account of the death of Wm. Livingston.

It is reported that Anaconda No. 2 well is 385 ft. in the limestone. Drilling is only being done during the daytime owing to the heavy and exceptionally wet gas flow of over 11,000,000 ft. daily. Production of gasoline is being taken at night when drilling is not going on. It is estimated that output is about 200 barrels a day.

The Spooner Anaconda well is stated by A. J. Scott, managing director of Anaconda Oil Co., to be at a depth of 3,460 ft. and to be in the green shales.

Normetal Shaft at 800 Ft. Mortgage is Paid Off

Shaft sinking, now practically completed to the 800 foot level, will be followed during the coming period with the development of the 675 and 800 foot levels. Short crosscuts will be run and drifting will then be carried out on the ore already proven by diamond drilling to exist on these new levels.

Shares of Normetal Mining Corp. Ltd. have been listed on the Montreal Curb but have not yet been called for trading. Transfer agents and registrars are: The Mining Corp. of Canada Ltd., Toronto, and Barclays Trust Co. of Canada, Montreal.

Shares outstanding now number 1,877,506, Mining Corp. of Canada, Ltd., having exercised in full its option on 917,500 shares at 10 cents a share.

The company advises that the first mortgage of $53,500 against the company's property was paid off during 1933.

NOVA SCOTIA

An Undeveloped Gold Field Now Being Opened Up

The gold mining industry of Nova Scotia is being stimulated into activity by Government co-operation.

A Gold Mining Branch is being set up within the Department of Mines to deal exclusively with the Gold Mining Industry.

The representatives of mining or exploration companies and financial groups are cordially invited to communicate with, or personally contact, the officials of the Mines Department.

Roads are already built into and across the gold fields of Nova Scotia, making them accessible.

Electric power is available or can be made available to meet the demand.

Reasonably priced and skilled labour is available.

Many prospected districts await development.

HON. MICHAEL DWYER
Minister of Mines

Halifax, Nova Scotia

SASK. MINERALS GAIN IMPORTANCE IN PUBLIC MIND

Share in Flin Flon Production Now Most Important

GEOLOGY MAPPED

Commercial Gas Structure at Lloydminster; Distributing Franchise is Sought

By Staff Editor

REGINA.—Saskatchewan is rapidly becoming conscious of her mineral possibilities now that part of the 1933 production of copper-zinc-gold-silver at the Hudson Bay Mining & Smelting Co. operation in Manitoba is credited to Saskatchewan for the first time. The Flin Flon ore body is partly on the Saskatchewan side of the interprovincial boundary and is furnishing about 60 per cent of the ore mined from the underground workings.

While the Flin Flon deposit has furnished the only commercial metallic mineral production in Saskatchewan it has helped to kindle interest in mining and indications are that this province will soon share the wave of exploration that is sweeping over Canada's pre-Cambrian shield in the search of minerals. Some 80,000 sq. miles, or the northern one-third of the province, is blanketed by pre-Cambrian rocks in which the principal metalliferous mines in Canada are found. Alive to its mineral potentialities the Saskatchewan Government has maintained geological parties in this area for several years under the direction of Dr. J. B. Mawdsley, professor of geology at the University of Saskatchewan. Under him are students of geology and mining.

Dominion Government Helps

The Federal Government has also rendered invaluable aid by maintaining Dr. J. F. Wright, of the Geological Survey Branch, in the area. In 1933 parties were at work in the Frobisher Lake, Porter Lake, Wapawakka Lake and Marie Lake districts, the latter near the Manitoba boundary. In addition the Federal Government, through the Department of National Defense, employed the Canadian Airways to conduct aerial photography surveys, from which detailed topographical maps are made. With this information prospectors and exploration parties are equipped as never before to invade this district and have some definite knowledge of conditions.

At Amisk, or Beaver Lake, just west of the interprovincial boundary at Flin Flon, interest has been revived in the search for gold, first found in the vicinity before the discovery of the Flin Flon deposits in 1915. At the present time the Amisk Lake Gold Synd., composed largely of English capital, is preparing to diamond-drill its property. In 1932 a small crew was at work and a shaft was sunk to a depth of 100 ft.; also a small recovery of gold was made. Near by, on the Graham claims, the Irving-Kenwood Synd., of Duluth, is doing surface work.

Coal, Sodium Sulphate, Developed

The production of coal took second place to metallic minerals for the first time in 1933. From the huge lignite deposits in the southern part of the province comes a fuel that has won a large market as far east as Winnipeg. It is in this area, near Estevan, that Canada's largest coal mining operation is found. In 1932 the Truax-Traer Coal Co. introduced 10-ton electric shovels to strip the 40 ft. and overburden and mine this thick seam of lignite on such a scale that it is fast making inroads on the business developed by the cheap steam coal operators, owing to its low production costs.

The commercialization of Saskatchewan's vast sodium sulphate deposits is another step forward in developing its natural resources. In 1933 the production was 70,000 tons as compared with 35,000 in 1932 and as compared with 723 tons in 1923. The largest operation is that of the Horseshoe Lake Co., controlled by the International Nickel Co., which uses the sodium sulphate to produce nitre cake, an essential flux in the primary refining of copper-nickel matte, at the company's Copper Cliff smelter. Several companies have programmes under way for greater production to displace sodium sulphate presently imported in various forms.

Near Swift Current an important industry has been developed in the recovery of volcanic ash, the only production of this nature in Canada.

Get Salt and Gas

In July last the production of salt was started at Simpson, by the Simpson Salt Co., sponsored locally. While drilling for oil the year previous brine was encountered and now a modern plant is evaporating this brine and producing 10 tons of coarse salt daily, used principally by the farmers. Plans are under way to expand this production and it is the intention to drill and tap a gas stratum to provide fuel for the evaporating plant.

On January 9 yet another natural resource was developed when gas was struck one mile north of Lloydminster at a depth of 1,380 ft. with a pressure of about 400 pounds—the largest and only commercially important flow encountered in the province. A franchise is being negotiated with the town of Lloydminster to distribute gas to its 2,000 residents. The well was drilled by the Lloydminster Gas Co., financially sponsored locally.

Drilling for gas or oil in the province is under the strict regulations of the Department of Natural Resources, headed by E. Swain as supervisor of mines. Further drilling for gas on an extensive scale is promised this coming summer as drilling rigs are set up at Hudson Bay Junction, Lone Rock, Lloydminster, Maple Creek, Avonlea and Riverhurst, south of Wilcox.

Another industry to utilize the clay resources is promised for 1934. The Prairie Paint Co. has been formed, with Regina capital, to produce paint having as its base, pigments of various colors recovered from the clays at Paynton, Lucky Lake, Rock Glen and from near Prince Albert.

As yet the Saskatchewan mining industry is not an important source of revenue, although legislation provides for the collection of a royalty of two per cent of the gross value of the metals produced. The Flin Flon production is exempt for 20 years.

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